

December 1953



To Our Members,
Everywhere.

*A Very Merry Christmas
And the Happiest of New Years
National Retail Credit Association*

Only Publication Serving the Entire Field of Retail Credit

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WANT CONSUMER
CREDIT LIFE
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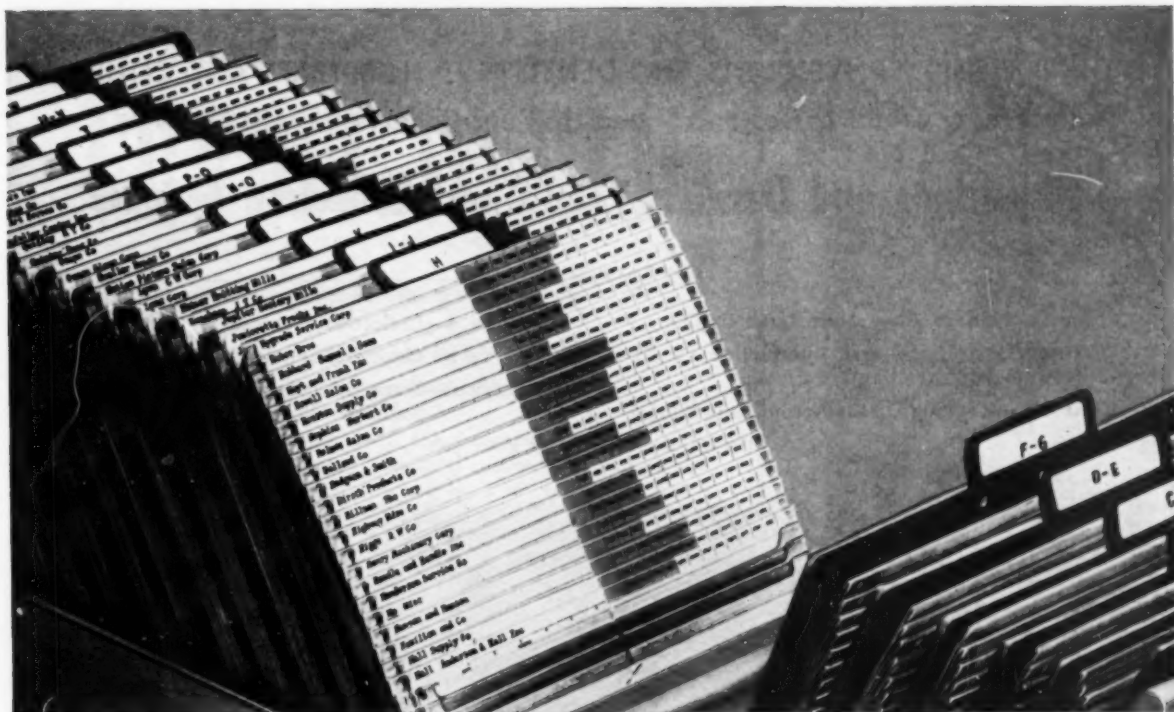
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Remington Rand

PROFIT-BUILDING IDEAS FOR BUSINESS

PROCLAMATION

By the President

WHEREAS, Consumer Credit has come to occupy an important place in the nation's economy; and

WHEREAS, an increasing number of persons in all walks of life are availing themselves of the convenience and assistance afforded them in the acquisition and enjoyment of goods and services by credit arrangements of various kinds; and

WHEREAS, it is desirable and necessary that credit consumers be encouraged for their own benefit and for the soundness of the credit structure generally to use their credit wisely and pay all bills promptly;

NOW, THEREFORE, I, Henry C. Alexander, President of the National Retail Credit Association, do hereby proclaim the period of May 9, 1954 to May 15, 1954 as:

RETAIL CREDIT EDUCATION WEEK

and do earnestly request that every effort be put forth by all interested in consumer credit to:

1. Educate the public in the proper use of credit, as a relation of mutual trust, and to the value of establishing and maintaining good credit records.
2. Pay all bills promptly according to agreements.
3. Guard their credit as a sacred trust.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the official Seal of the National Retail Credit Association to be affixed on this twenty-fifth day of November, 1953.



President
National Retail Credit Association

BY ORDER OF THE PRESIDENT:

SECRETARY

A Charge Customer Is Worth Nearly Four Times as Much as a Cash Customer

ALBERT J. WOOD, President, A. J. Wood & Company, Philadelphia, Pennsylvania

CHARGE ACCOUNTS have been described variously as a nuisance, a privilege, a convenience and a necessity, depending on the times and the viewpoint.* Also, depending on the viewpoint, the executive in charge of the retail credit function has been titled variously as a Credit Manager, Director of Accounts, Credit Sales Manager and Customer Relations Director.

This compounding of confused terminology has served to place both the charge account and the credit department in a twilight zone of influence which needs to be clarified. Today, department and specialty store merchandising, particularly of the "downtown" variety, faces a test that may be as decisive as it is severe. Traffic problems, parking restrictions, the distance factor, shopping centers and supermarket competition are all taking their toll of the business which "downtown" merchants once enjoyed almost exclusively.

And, ironically enough, while credit executives and their managements push and pull at the problem of whether a charge account generates business and whether a credit executive should be a "watchdog" or a business producer, a new and vigorous competition fattens on the controversy, while clearly pointing out the answer. Today, banks all over the country are sponsoring new consolidated "charge account" services, the single purpose of which is to get people to buy in the neighborhood instead of going "downtown." Thus, the very point of controversy, the charge account, is being used as a primary merchandising device to lure people away from the same department and specialty stores who wonder whether charge accounts are worth while. If the situation were not so serious, it would be laughable!

In the interest of presenting the true facts about the value of charge accounts and their influence on shopping habits, we once conducted a research study which was released under the title of "The Power of Charge Accounts."** This study clearly pointed out "how" and "why" charge accounts increased store sales volume. However, its message has apparently become dimmed by time, so we are bringing it up to date for the benefit of all concerned.

During the past few years, our marketing research division has conducted many research studies for department and specialty stores all over the country. Among these, including such stores as R. H. White of Boston, Burdine's of Miami, Mabley & Carew of Cincinnati, Miller & Rhoads of Richmond, and Winkleman's of Detroit, we had the opportunity to reappraise the effectiveness of charge accounts as merchandising devices.

All of these studies were conducted in strict accord with scientific principles of sampling and interviewing, using the latest techniques and control apparatus to en-

sure complete accuracy and a minimum of bias. All told, 8,000 respondents were interviewed, representing a true cross-section of opinion in five major trading localities with an estimated metropolitan area population of over five and one-half million people.

The basic method used in evaluating the influence of charge accounts is based on general scientific principles used in all sciences. If you wish to evaluate the influence of a factor, you must examine those who have been exposed to this factor and those who have not and then determine whether there is any difference in the effect of the factor between the two groups.

For example, the effectiveness of a drug in curing a disease can be measured by comparing cures among a group treated with the drug and a group not treated. If the cure rate is higher among those treated, it is a measurement of the effectiveness of the drug. In a completely similar fashion, the influence of a charge account can be measured by observing the attitudes and buying behavior of store customers who have charge accounts and those who do not have charge accounts. If the charge account possessors show a greater preference for the store and specific departments within the store, and buy more as a result, then the charge account can be considered a proved and highly successful merchandising sales tool and not just a privilege or a convenience.

Here are the findings, edited only to conceal identities and extraneous facts: *The charge account influences people to spend more money in the store or stores where the account is held.* Without exception, in each of these five major trading areas, people who possessed charge accounts were better customers than cash shoppers. This situation prevailed in a wide variety of ways and particularly in respect to specific merchandise departments. Illustrating this are the following tables, each selected to show a particular type of preference.

Preference for Women's Wear Departments

1. For example, here is how the possession of a charge account influenced the preference for a variety of women's wear departments:

Preference for Department	Preference by people With Charge Accounts	Preferred by people Without Charge Accounts	Conversion* Differences
Low Price Dresses	43%	12%	31%
Suits and Coats	31%	10%	21%
Blouses	24%	5%	19%

As can be seen, charge customers showed an overwhelming preference (3.5 to 1, 3 to 1, 5 to 1 or an average of about 3.8 to 1) for these departments in this store as opposed to preferences shown by cash shoppers without accounts.

2. The same preference pattern is shown when the buying habits of people patronizing two stores are com-

*These figures represent the proportionate increase in influence caused by the charge account factor.

*"Charge Accounts—Once a Nuisance, Then a Privilege, Now A Necessity." The CREDIT WORLD, January, 1952.

**The CREDIT WORLD, January, 1945, and Credit Management Yearbook, 1947.

pared. The following table shows the influence of a charge account held exclusively in one store as compared to charge accounts in both stores:

Customers for Store A	Preferred for Street Dresses	Preferred for Coats
Account held exclusively	44%	36%
Non-exclusive Account	20%	16%
Conversion Difference	24%	20%
Conversion Ratio	2 to 1	2 to 1
Customers for Store B	Preferred for Street Dresses	Preferred for Coats
Account held exclusively	60%	62%
Non-exclusive account	36%	30%
Conversion Difference	24%	32%
Conversion Ratio	2.5 to 1	2 to 1

As can be seen the exclusive possession of a charge account with either store, with either department, greatly increased the preference for that store and that department. This comparison clearly reveals the competitive advantage which accrues to the store which first opens a charge account with any housewife.

Preference For Specific Departments

3. This preference for specific departments continues to be shown whether the merchandise is soft or hard goods, men's, women's or children's wear, piece goods or sporting goods—in other words *all departments have more opportunities to sell more merchandise when the prospective customer possesses a charge account.* Note the following table where the preference shows again for eight different types of merchandise.

Preference for Department	Preferred by Charge Customers	Preferred by Cash Shoppers	Conversion Difference	Conversion Ratio
Dresses	60%	38%	22%	1½ to 1
Millinery	41%	25%	16%	1½ to 1
Women's Shoes	44%	27%	17%	1½ to 1
Men's Wear	44%	24%	20%	1¾ to 1
Children's Wear	47%	28%	19%	1¾ to 1
Furniture	28%	11%	17%	2½ to 1
Piece Goods	39%	24%	15%	1½ to 1
Sporting Goods	31%	9%	24%	3 to 1

Without exception, charge customers prefer specific departments of the store where they have an account more so than cash shoppers. This means that 100 women with charge accounts who walk into a department will buy more than 100 cash shoppers who walk into a department. So far these tables only show *preferences*. Skeptics might scoff at these as being only intentions and not representative of what people actually do. The following tables, then, are for the skeptics since they show *the influence of charge accounts on purchases actually made.*

All respondents were divided into four categories:

1) those who had an account exclusively with one store,

2) those who had accounts with one store and others, 3) those who had accounts with other stores but not with a particular store, and 4) those who had no accounts with any store. Each group was asked the same question: "Did you buy something today?" Here are the responses: 57 per cent of those who had an account exclusively with this store bought something, but only 43 per cent of those who had no account with any store bought something. There is a 14 per cent conversion difference.

The conversion difference of 14 per cent here translates the "preferences" for stores and departments shown by the four tables previously mentioned from an intangible desire into a tangible fact. *Fourteen per cent more of the people who had a credit account at this store bought something than those who had no account.*

Furthermore, this increased purchasing power generated by the charge account holds true even when the customer possesses more than one charge account as can be seen here: 52 per cent of those who had accounts with this store and other stores bought something, but only 43 per cent of those who had no accounts with any stores bought something. There is a 9 per cent conversion difference.

Again, the possession of a charge account increased the number of people buying, even when accounts were also held with other stores. This brings up the interesting question as to how much influence a charge account held exclusively in one store has as compared to accounts held in other stores. The following shows this comparison: 57 per cent of those who had accounts exclusively with this store bought something, while only 37 per cent of those who had accounts with other stores but not with this store bought something. There is a 20 per cent conversion difference.

The above is a good picture of the "push and pull" influence. Note that the possession of an exclusive charge account "pulled" people who made purchases into the store, while the absence of an account tended to "push" them away.

"Pushing Away" Influence Lessened

In the following, this "pushing away" influence has been considerably lessened simply by the addition of a charge account: 57 per cent of those who had accounts exclusively with this store bought something, while 52 per cent of those who had an account with this store and others bought something. There is a 5 per cent conversion difference.

Here the conversion difference of 20 per cent shown before was reduced to 5 per cent. The above shows the advantages of an exclusive account, but it also shows that people can be "pulled away" from other stores where they have charge accounts by opening an account for them in your store.

This fact is further confirmed by the following which shows the influence of charge accounts not held exclusively: 52 per cent of those who had accounts with this store and others bought something, while 37 per cent of those who had accounts with other stores but not with this store bought something. There is a 15 per cent conversion difference.

Again, this clearly shows that the possession of a charge account in a particular store, even though the accounts are held in other stores, results in more people

Reading this publication carefully and regularly will contribute to your success as a Credit Executive.

buying. And, equally, it shows that less people buy when they do not have an account with a particular store, but do have accounts at other stores.

In fact the only time that the possession of a charge account *did not* result in more patronage for a particular store was in those cases where accounts were held in other stores, but not in a particular store: 37 per cent of those who had accounts with other stores but not with this store bought something, while 43 per cent of those who had no accounts with any stores bought something. There is a -6 per cent negative conversion difference.

Essence of Push and Pull Influence

Here, the "push" effect shows up clearly and distinctly. *Less business was secured by the store from people who had charge accounts at other stores and not in this store than from people who had no account at all!*

The complete essence of this "push and pull" influence is shown very strikingly by these four elements taken from the preceding data:

- 57 per cent of those who had an account with this store only bought something.
- 52 per cent of those who had an account with this store and others bought something.
- 43 per cent of those who had no accounts with any store bought something.
- 37 per cent of those who had accounts with other stores, but not this store, bought something.

Thus, taking the people who had no accounts at any store as a control group, the added possessions of a charge account, whether exclusive or not, "pulled" 9 per cent to 14 per cent more people who bought something into the store. Conversely, the absence of an account in this store and the possession of an account or accounts in other stores, "pushed" 6 per cent of the people from whom business normally would be generated away from the store.

Increase of Business Through Charge Accounts

The evidence is clear and unmistakable that the possession of a charge account by any customer of a store increases the amount of business which that customer will give to that store. The validity of this has been established by scientific studies made in five widely separated areas of the country. It is true for these reasons:

1. People prefer the store or stores where they have charge accounts over those where they do not have an account by as much as a 3.8 to 1 ratio.
2. People prefer specific departments of those stores where they have accounts over these same departments in stores where they do not have accounts by the same ratio of 3.8 to 1.
3. People buy most often in those stores where they have accounts regardless of whether the account is held exclusively with that store or not.

From these facts, we are glad to reaffirm our findings of 1944 and state flatly and finally, *charge accounts increase store sales volume.* If you want to "pull" more business into your store, get more charge customers and get them before or faster than your competitors. If you want to "push" business away, let your competitors take the initiative. ★★★

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A Day Means \$625,000
A Year In Sales Volume**



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*The Research Method of Account Solicitation



Don't Be Fooled by Forgers

U. E. Baughman

Chief, United States Secret Service

SECRET SERVICE agents in Washington, D. C., recently caught the fastest check thief on record. He located an apartment house where the hall mailboxes were so constructed that he could secrete himself in a narrow space in the rear of the boxes, which he did. When the mail carrier arrived, several tenants were in the hall to get their mail. Since the carrier did not know the tenants by name, he properly placed all mail in the right boxes and locked them. Each tenant would then proceed to unlock his own box.

As fast as the carrier put the mail in the receptacles and closed the doors, however, the hidden check thief withdrew envelopes containing Government checks. Moments later, when the tenants looked in the boxes, several of them complained that checks they expected had not been delivered.

"I could hear 'em squawking," the thief said after his arrest, "and I had their checks in my pocket!"

This was only one of the cases in which Government checks are stolen, forged and fraudulently negotiated every day. For the year ended June 30, 1953, the United States Secret Service received 27,720 forged Government checks for investigation, or an average of 76 daily for 365 days. Even though our agents completed investigations of 26,179 checks, worth \$2,119,243.44, on June 30, 1953, we still had a backlog of 9,045 checks awaiting investigation.

The forgery of Government checks is the biggest single enforcement problem of the Secret Service today. The largest proportion of the forged checks were service men's allowance and allotment checks, with veterans' pension and Social Security checks ranking second and third.

The Secret Service arrested 2,284 people for check forgery during the year ended June 30, 1953. Many more arrests might have been made if storekeepers who had been victimized with forgeries had been able to furnish some tangible information about the forgers. Unfortunately, however, many retail merchants are so anxious to make sales, or so fearful of offending customers, that they refuse or neglect to insist upon full identification of strangers who ask them to cash checks, and when an investigation is made, they are unable even to describe the forgers.

In one case, in Chicago, a girl presented a Government check to a sales clerk in a department store. The clerk told the girl to have the check approved by the credit manager. The girl left the counter and returned in a few minutes with the check which the salesgirl then cashed. Later she discovered that the credit manager had never seen the check, and that it had not even been endorsed!

The prize illustration of gross carelessness in check-cashing centered in a furniture store in a Midwestern city. A woman strolled in and began shopping for new bedroom furniture. As she sat on a bed and bounced up and down gently to test the mattresses, an enthusiastic young salesman approached to add another sale to his record. He escorted the customer from one bedroom suite to another, giving her a patter about the merits of each. Obviously the lady wasn't "just looking." She was going to buy, and the salesman was getting more and more anxious to clinch the deal. Finally the customer decided on a set, but she hesitated when the salesman brought out his record book.

"I don't have enough cash for a down payment," she said, "but I do have my Government pension check, and if you could cash that for me . . ."

The salesman was one big smile. "Of course, ma'am. A Government check is as good as gold, isn't it? How much is it for?"

She took the check from her purse. "It's for a hundred and twenty dollars," she said. "Perhaps you could take out the down payment of thirty dollars and give me the rest in cash?"

"Why not?" the man said. "You just endorse it and I'll do the rest."

She turned away and leaned over a small table as though she were writing on the check. She returned and handed it to the salesman, who tossed it into his cash register, gave her ninety dollars in cash and a receipt for a down payment, and she walked out of the store.

The next morning when the store cashier prepared the previous day's receipts to be deposited in the bank, she found the Government check. She turned it over to make sure it was properly endorsed. It wasn't. The payee's name had been written on the back of the check but two pen and ink lines had been drawn through the signature, and underneath it were the words: "No good—this check was stolen."

Do Not Cash Checks for Strangers

If the anxious salesman had even glanced at the endorsement, he would never have cashed the check and might have caught a check thief. He believed, as he said, that "a Government check is as good as gold." It is, provided it is negotiated by the rightful owner, but a Government check with a forged endorsement is just as worthless as any forged personal check, and the one who cashes such a check is the loser. How can a merchant protect himself against check forgers? *He can be cautious when he is asked to cash checks for strangers.*

Many forgers try to identify themselves as payees of checks through the use of Social Security cards obtained

by fraud. Social Security cards are for Social Security purposes, and *not* for use as personal identification in cashing checks. In fact, through the cooperation of the Social Security Board, the cards bear the printed inscription: "For social security purposes—Not for identification."

Drivers' licenses and other such documents may be stolen or altered. In some cases, check thieves have stolen electric light bills at the time they stole checks, and have then paid the bills. When asked for identification, they suddenly "recall that I just paid my light bill," and they produce the receipted paper, which has convinced many gullible victims.

The fact is that there are no printed forms of identification which can be considered absolutely foolproof, tamper-proof, counterfeit-proof or forger-proof. The safest procedure for the storekeeper is to ask that strangers who want to cash Government checks be identified *personally* by a responsible person who is known to the merchant.

Failing this possibility, the merchant may protect himself by asking a few trick questions. For example, suppose a stranger walks into a drugstore and presents a check payable to Charles Jones, 151 Elm Street. The merchant, Mr. Peter Grant, looks at the check and the conversation may proceed something like this:

- Grant: "Oh, Charles Jones, eh? Are you by any chance Frank Jones's brother?" (*Grant doesn't know any Frank Jones.*)
- Stranger: (Cautiously) "Well, I — uh — no. No, that must be a different Charlie Jones." (*The stranger is already in a tight spot.*)
- Grant: "Mm-hmm. But I see you live at 115 Elm Street? (*The address on the check is really 151 Elm Street.*) 'That's right next door to the new school they're building, isn't it?' (*Grant knows there isn't any new school on Elm Street.*)
- Stranger: "Uh — yes. Yes, it is. Right next door." (*He doesn't know — but he thinks Grant does.*)
- Grant: "Going to be quite a building when they finish it. Say, you must know Pete Grant." (*Here the merchant has used his own name.*) "Seems to me his address is 110 Elm Street. That must be just across the street from you." (*Mr. Grant really lives at 475 Oak Street.*)
- Stranger: (Undecided) "I think so. I — I haven't lived out there very long. I guess I may have met him once or twice."

Suspects Can Be Tripped Up

By this time the merchant has tripped up the customer enough to be sure that he is not the rightful owner of the check. In such a case the merchant should offer some natural excuse (such as saying that he must get the cash from his office, or from a cash register in another part of the store), and should telephone the police department. In any case, the merchant should realize from such a conversation that if he cashes the check for the stranger, he will probably lose the money it represents.

In the Secret Service files are cases where 12-year-old boys have cashed stolen Government checks marked "Old Age and Survivors Insurance." In New York City the manager of a chain grocery store cashed a negative photostatic copy of a Government check! These losses, and many thousands like them, could be avoided if potential victims of the forger used reasonable caution and common sense.

The merchant who is asked to cash a check has every reason and right to ask all the questions he wishes to identify the holder of the check. It is the storekeeper

who stands to lose if the check is forged. And any person who is the rightful holder of a check which he or she tries to cash fully expects to have to identify himself or herself properly and fully. In most cases it is only the crook who objects or pretends to be insulted.

Before cashing any Government check for a stranger, a merchant or cashier should ask himself this question: "If this check is returned as a forgery, *can I find the forger and recover my loss?*" If he is not thoroughly convinced that he *can* find the person who presented the check, then his best protection is to refuse to cash it.

If he cashes the check, he should not only question the customer, but also he should insist upon seeing several kinds of identification—Selective Service cards, drivers' licenses, automobile registrations, anything bearing the customer's signature. He should then compare the signature on these papers with the endorsement on the check. If the check is already endorsed when presented, he should ask the customer to endorse it again in his presence, and also have the customer write his full address on the check.

The merchant who uses every precaution to guard against forgeries does two things: he prevents losses to himself; and he helps to prevent crime. A forged check is useless to a forger unless he can cash it. If he discovers that he cannot cash a forged check, the chances are that he will discard or destroy it and it is in making it difficult for the forger to consummate his crime that the retail storekeeper helps himself, his community, and his country. ★★★

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375 Jackson Ave. St. Louis 5, Mo.



"Give Them a Treat Instead of a Treatment"

Jerry Lee Gombold

Credit Manager, Plantowsky Furniture Company, Galveston, Texas

WHEN I WAS asked to write an article on a subject relating to the successful handling of people, two words immediately came to my mind, "treat" and "treatment." Recalling the familiar slogan of a well-known cigarette which gives you a treat instead of a treatment, I decided this might be aptly applied to my remarks. Mr. Webster states that "treat," used as a noun, could be that which affords gratification or pleasure. On the other hand, "treatment" might be the unpleasant handling or usage of a subject or patient. So let us say that when you give someone a treat, you give him something pleasant; when you give someone a treatment, it will be an experience not at all pleasant. Thus defined, these two otherwise insignificant words fall in close proximity to our profession.

It is surprising how many people expect the treatment when it becomes necessary to deal with credit or collection managers. Doubly surprising is the fact that many shortsighted or possibly purely negligent members of our profession give them "the treatment." To turn this treatment into a treat is really a simple matter. And the result, which after all is the important thing, will be what we strive for day after day, and that is, satisfied customers.

Let us go back a few years. I say few because in the first two decades of the century retail credit was scarcely used, and the now powerful instrument of installment credit was virtually unknown. Merchants regarded credit as a sheer nuisance, an expensive service, and a necessary evil. There is usually found in most organizations someone often referred to as the "fall guy"; someone on whose back must fall the job no one else wants. As more and more people required or demanded the privilege of a charge account, the merchant looked around and found the only logical and practical "fall guy" in his organization to be the bookkeeper. So the unfortunate bookkeeper was assigned the hazardous task of granting credit. He was made, so to speak, watchdog of the accounts. In his new position as credit manager, he was expected to extend as little credit as possible, collect all accounts promptly and have no bad debt losses.

With the coming of the atomic age, we heard much of chain reactions. However, since anyone under pressure will, in turn, put pressure on something or someone else, a chain reaction of sorts often takes place in our daily lives. As an example, when the boss watched his credit manager like a hawk, he in turn watched the customers like a hawk. We have the boss, who was not happy with the situation and took it out on his credit manager, who passed his misery on to the customers. There we have the rather awkward beginning of credit management as a profession. There, too, we have the beginning of the attitude of dislike and distrust the credit buying public had toward credit managers. We are still combating

a hangover from this original situation, and trying to find a lasting cure for it. Because of our phenomenal progress the cure now lies within easy reach. It is up to us individually and collectively to effect it.

In Betty McDonald's book, *Anyone Can Do Anything*, she expressed her opinion of credit managers in a chapter entitled "Bills, Bills, Bills." She wrote in part, "The best pal I'd like to have least after a banker, is a credit manager. Credit managers are people who, by birth or training or both, live entirely in the past, have no faith in the future, are not interested in the present, hold grudges indefinitely or at least for six years, never forget old slights and are always ready and eager to rehash old quarrels. Credit managers collect, the way other people collect recipes, all the nasty things anybody has ever said about anybody else. The rest of us are taught that every day is a clean slate, but a credit manager is taught that every day is an old bill." Miss McDonald has created for us a perfect picture of the original credit manager, Mr. Beltz, of the fishy eye and reluctant credit.

The successful handling of people is basically a matter of psychology. Although I cannot in any sense qualify as a psychologist, I have made a thorough study of its basic principles because it is the science of the mind in any of its aspects; a systematic knowledge and investigation of human consciousness and behavior; and the traits, feelings, actions and reactions of the mind. We who are to deal with people must therefore study them well. We must maintain a complete mental file of the workings of the human mind. Of course, we all come in contact with those persons to whom no rules apply. But generally speaking, human nature is reliable, and will run much the same.

Essentially We Are Salesmen

Our firms employ selling forces to sell material objects, merchandise. We are more generally employed to sell policies, service, and good will, and most important, promote sales. Emphatically, we are salesmen! Since vast markets have placed comparable merchandise in our stores, and competition keeps our prices close in line, the credit department stands out more than ever before as a vitally important selling center. A great deal depends on us; we can make sales or we can lose them. We have become important people. Leopold Meyer said, "A successful credit department must be governed by a credit manager who is, first and foremost, a salesman. As a matter of fact, a successful credit manager must be a supersalesman." So as credit men and women we must consistently use salesmanship, the art of persuasion. We must indeed qualify, as Mr. Meyer has said, as supersalesmen.

Many credit managers are pictured as grumpy and hard to get along with. They just sit and wait to pounce

on customers. Actually the only time they are grumpy is when there is no business, or rather, no one to grant credit to. In *ye olden days*, we used the old-fashioned hook-'em-in-from-the-sidewalk manner to get new business. But now we move a lot faster and like to think we are a lot smarter, so what do we do?

We hire advertising men at fabulous sums who roam the halls all day trying to conjure up super gimmicks to lure customers into the store. Then they work like mad all night trying to meet the next morning's deadline. These energetic and enterprising characters spend thousands of dollars on newspaper, radio and TV advertising, not to mention other costs, to convince customers the store has just what they want.

Now the boss spends all this money for only one reason and that is to get customers into his stores. We have convinced him that there is nothing to it. But, do we have news for him! Because, when the customer gets into the store, he has two hurdles to clear, either of which can louse up the deal and throw all that hard-earned advertising money down the drain. First, there is the salesman who tries to sell the customer, one way or another, often with a little high pressure. I have not seen one use a hammer lately, but with business slowing up, it may become a part of a salesman's technique any day now. This can only lead to bloodshed.

If our salesman succeeds, the customer must go through the worst ordeal of all. He must go back into the deep dark depths of the snake pit, the credit manager's office. He is going to need plenty of moral as well as physical support. Reputation has often given us the appearance of an ogre.

Now the credit manager is not required to have a degree in psychology, but it would probably help. If we could just have the customer lie down quietly on a comfortable couch and talk to him in a soothing voice, it might make our job easier. But since we cannot do this, we can at least give him a great big cheerful toothsome smile to soothe him and put him at ease. And be sure to keep your uppers bright and shiny and properly in place.

By all means, give your customer a nice gentle pat on the head—believe me, he will love it! This reminds me of my dog, Goofy. I pat him on the head and he wags his tail like crazy and chases his shadow all over the place.

We Need More Satisfied Customers

But, if we handle a person in the proper manner we have a satisfied customer. It was a hard fight, and as in any battle, there are always a few casualties. Have your ulcers been acting up lately? But regardless of the danger it was worth it! There he stands, the satisfied customer. He pays your salary and mine, so for goodness' sake, give him a treat instead of a treatment!

Now let us be serious again, about this important matter of salesmanship, and its essentials. I make no new suggestions, but rather review some I have read and studied and tried to practice. Through such review we often find we are not putting our knowledge to good use. There are numerous essentials and the ones outlined here are for the main part psychological.

A broad knowledge of human nature, and complete acquaintance with our credit department's operations and policies enable us to converse expertly with our cus-

tomers. Enthusiasm is a most convincing essential, acquired by letting interest in our profession grow through study, contact and discussion. Enthusiasm wins confidence. An important essential is self-confidence, which should reflect in our bearing, voice and smile. A self-confident credit manager will make a favorable impression for his purpose.

At all times, we should possess self-control. We must at times portray feelings we do not have, and suppress others we might have, and do it convincingly. Sincerity is a vital essential, to be had only by first selling ourselves on what we are trying to sell the customer. A thorough observation of the customer will enable us to adapt ourselves to his mood. Study his reactions from the moment of contact, and handle the situation accordingly. Adaptability is important to us. It might mean putting on our most dignified front for a society matron, and then stepping into the next office for a down-to-earth discussion with a waitress or factory worker. In order to place a person at ease, we must be able to talk to him on his level.

We Should Strive to Improve Our Voices

Experience teaches us that we seldom have time for hesitation, and it is therefore necessary that we learn to think fast, and at the same time wisely. Arnold Bennett stated, "Ninety per cent of our daily friction is caused by tone; mere tone of voice. . . ." We should constantly strive to improve our voices so they will emit a feeling of friendliness and warmth and a note of sincerity to ensure the customer's confidence. The right tone of voice can make us firm rather than angry, cooperative and yet not yielding, understanding but not condescending, and so on.

In order to draw out our customers more fully, we must remember to be good listeners. Given the opportunity, people will divulge much information in conversation that could not be had through routine questioning. Watch your language. Use simple but good English. We must be able to express ourselves and be understood immediately. Ambiguous statements taken the wrong way can lead to troublesome situations.

Naturally, we must always be courteous. Maintain a high regard for the feelings of others. Treat people as you would like to be treated. A good sense of humor is essential in dealing with the public. Be adept at injecting humor into your contacts, should the occasion arise. We all enjoy a good laugh. Organize your selling points. There are many types of situations for which a standard procedure may be adopted. After a quick analysis, the procedure can easily be adapted to the case at hand.

I would like briefly to mention personality which is a priceless asset. Many leading psychologists contend that we are not born with good or bad personalities; we develop our own. If this is true, and I believe it to be so, then our personalities require careful and constant attention. Each morning when we sit down at our desks, we go through the usual routine of organizing our day's work. May I suggest that we include in this routine the organization and good grooming of our personalities. Polish them until they shine, and their brightness will reflect on everything you do each day.

Remember at all times that we are dealing with people like you and me. And just like you and I, people will always respond to the right kind of treatment. ★★★

Credit and Collection Procedure

Let's Make It Tough for Skips

ANY CREDIT MANAGER, at some time or other, must have gone through the painful experience of having one of his collection letters returned by the mailman with the notation "Addressee moved—left no forwarding address." If the debtor was an honest man who merely overlooked advising all of his creditors of his new address, he will not be hard to find. There are, however, some debtors (and fortunately they are only a small fractional percentage) who make it their business to disappear. They usually manage to erase all traces of themselves, and their personal references have a way of mysteriously evaporating too. And yet, there should be a way of catching up with these professional skips. For somewhere, sometime in the future they are likely to apply for credit again. I have often thought what a nationwide skip clearinghouse could do in order to protect us from those people who often have fraud on their minds even before they sign their contracts. Many of my colleagues in the credit business might consider such a skip clearinghouse a fantastic dream. But I believe it is not so incredible at all. Of course my views are only those of a banker, not versed in the legal implications which such a central information bureau might have. That is something which will have to be looked into by some capable attorneys.

Let us try to visualize such a Central Skip Clearing House (C. S. C. H. for short) located somewhere centrally in the United States. All credit grantors belonging to the various regional Credit Bureaus will send in their skip reports by mail directly to C. S. C. H. These reports, on index cards, will contain name and age and last known address of skip, also his last place of business and wife's (or husband's) name and age, as well as social security numbers, if available. Each card also will contain a numerical symbol indicating the reporting member's name and the regional Credit Bureau to which he belongs. Naturally, there must be a nominal filing fee for each skip so reported.

Once a day C. S. C. H. will send out by teletype to its regional Credit Bureaus a listing of all skip reports received since the last broadcast. The regional Credit Bureaus in turn will take these reports, cut them up into index cards, and file these into their skip file. They should be kept there for 20 years, the maximum life of a legal judgment. All names coming into the regional Credit Bureau for credit check should then be searched in the skip file.

Whenever one of the regional Credit Bureaus has spotted one of these skips through a credit inquiry or a

credit application, it will not only warn its own members about to grant credit, but it will also at once notify C. S. C. H. by teletype, of the fact that the skip has been located. From the symbol on the skip report, C. S. C. H. will know which of the regional Credit Bureaus and which of its members are looking for that particular skip. Upon payment of a fee, the interested member or members will then be furnished with all available information.

I am not saying that such a Central Skip Clearing House can be created overnight, or that the method outlined here is the only way of solving the skip problem, but I hope that the credit grantors of America will give this matter some thought. To my mind a Central Skip Clearing House is merely the logical consequence of the fact which we have realized all along and that is that the interchange of information is of mutual benefit to us all. —R. H. Hertz, *Assistant Vice President, The Merchants Bank of New York.* ★★

Crime Clinic Aids Cleveland

TWENTY-ONE YEARS AGO a unique organization was formed in Cleveland, Ohio, known as the Forgery Clinic of Greater Cleveland. The idea resulted from the association of three men who were interested in the prevention of the passing of bad checks.

These three organizers were Cleveland Police Inspector Joseph M. Sweeney, who is now Cuyahoga County Sheriff; Stanley Carruthers, who was head of bank safety for the Cleveland Trust Co., since deceased; and William H. Gray, president-secretary of the Retail Merchants Board who assigned the Board's protection head, O. J. Anderson, since deceased, to assist in organizational plans. From a few men engaged in law enforcement work for business, industry, banks, railroads and government, the organization has grown in numbers until today it has a closed membership of 260 with many applicants on the waiting list.

The original idea was to assemble those men primarily interested in bad checks but today the organization concerns itself with all types of crime. It brings together these 260 men so they may become better acquainted and provides an extremely valuable means for the exchange of information pertaining to the prevention and prosecution of crime. Assistance has been given to Akron and Youngstown, Ohio, in forming similar groups. It is interesting to note that many men retain their membership, although transferred to other cities and countries. One member has a position in Hong Kong. In this way

contacts are expanded on a national and international level.

Since interests broadened with the expansion of membership, the organization changed its name by incorporating in 1937 as Crime Clinic, Inc., a corporation not for profit under the laws of Ohio. Headquarters are located with the secretary, Walter J. Boll, manager of the Protective Division of the Cleveland Retail Merchants Board and Credit Bureau. Other officers at present are Arthur E. Kranz, president, who is president of Stearn's Printing Co. and secretary of the Sam S. Williams Law and Order League; John R. Keeley, first vice president, head of the safety department of the Cleveland Trust Co.; Earl A. Kolthoff, second vice president, superintendent of property protection for Cleveland Electric Illuminating Co.; and A. W. McSweeney, treasurer, assistant commercial supervisor of Ohio Bell Telephone Co.

Two luncheon meetings are held each month plus an annual clambake and annual dinner dance. Attending these informational exchange meetings, with speakers interspersed, are representatives from governmental agencies in the area, railroads, stores, hotels, banks, telephone and telegraph companies, gas and electric companies, insurance, newspapers, hospitals, express companies, detective agencies, manufacturers, and business associations such as the Retail Merchants Board and Credit Bureau of Cleveland.

As in similar service organizations, the real value is derived from men engaged in a common cause becoming personally acquainted, which makes their own individual job of law enforcement more effective through so many valuable contacts. The point is best illustrated by an actual case of a criminal stealing \$15,000.00 in fur garments from department store windows some years ago. No leads were developed until the incident was reported at a regular luncheon of the Crime Clinic and the express company representative made a note of it. He checked their shipments and it led not only to the "fence" in another state where the garments were recovered but to the arrest of the thief in still another state. He was extradited and sentenced to the Ohio State Penitentiary.

Cleveland is proud of its unique Crime Clinic and crime prevention benefits it affords to the community. Visitors to the organization's noon luncheons are amazed at the fine spirit of friendship existing among the members, and therein rests the secret of the organization's success.—Gordon W. Gray, *Manager*, Credit Bureau of Cleveland, Cleveland, Ohio, Past President, Crime Clinic, Inc. ★★★

What Is the Most Important Credit Problem for 1954?

WHAT, in your opinion, will be the most important retail credit problem for 1954? Comments of Credit Executives, Credit Bureau Managers and Management will be published in *The CREDIT WORLD*. Mail your thoughts, limited to 75 words, to the National Retail Credit Association, 375 Jackson Ave., St. Louis 5, Mo., to reach us not later than January 15, 1954.

Ontario District Credit Bureaus Meet

The Ontario District Associated Credit Bureaus of Canada have just concluded their most successful convention to date. It was held at the Hotel London, London, Ontario, Canada, September 27-30, 1953. A get-together was held on Sunday evening, with representatives from 33 of the 35 Ontario Bureaus in attendance, as well as representatives from several of the major oil companies in Toronto, Canada, and a number of the oil company representatives from London. Also present was the executive of the Credit Women's Breakfast Club of London, Ontario. A joint breakfast was held Monday morning, with the breakfast clubbers of London acting as hosts. G. Don Smith, F.C.I., Manager of the Credit Bureau of Montreal, was our guest speaker and he chose as his subject "Credit—The New Look." As usual, Don did an outstanding job. Approximately 100 people were present at this joint breakfast.

Immediately after breakfast the Credit Bureau representatives, plus the representatives from the major oil companies, moved to a conference room in another part of the hotel and spent all of Monday morning discussing our mutual problems in regard to oil company credit reporting. Many helpful ideas were worked out jointly, and we believe that it will mean a much improved service in the future.

Monday afternoon and all of Tuesday were devoted then to the discussion of improved service throughout the Credit Bureaus of Ontario. Incidentally, during this part of the conference a motion was passed changing our name from Ontario District Associated Credit Bureaus of Canada to Associated Credit Bureaus of Ontario.

We devoted all of Wednesday to a discussion of collection problems and an election of officers and directors for the coming year. Our officers for the next year are as follows: Martin McKee, Assistant Manager of the Credit Bureau of Greater Toronto, President; Robert D. Johnston, Managing Director, Canadian Bureau of Credits, London, Ontario, Vice-President; and H. E. Wickham, General Manager, Credit Bureau of St. Catharines, Ontario, Secretary-Treasurer.

Directors: William Walker, Credit Bureau of Port Arthur, Fort William; P. H. Laporte, Credit Bureau of Timmins, Ontario; A. D. Sinclair, Credit Bureau of Ottawa-Hull; Morley Parrett, Credit Bureau of Kingston, Past President; and H. Wakeley, Credit Bureau of Cornwall, Ontario.

We were particularly pleased with the outstanding publicity given to the convention by the London, Ontario, *Free Press*. This was the first convention in our history where we have had such a huge representation. We think that 33 out of 35 bureaus represented is really outstanding.

Arthur Bullied, our Field Secretary for Canada, recorded Don Smith's talk and will have it available for future use. As usual, Don did an outstanding job and his talk really gave people something to think about.—H. W. Wickham, *General Manager*, Credit Bureau of St. Catharines, St. Catharines, Ontario, Canada. ★★★

What's New in Books

Complete Credit and Collection Letter Book (Prentice-Hall, 70 Fifth Avenue, New York 11, New York, 275 pages, \$4.95). Whatever your credit or collection problem, finding fresh approaches to replace over-worked ones, devising a new collection program for a new product, checking a drop in collection results, meeting a management demand for a tougher policy, here is a master handbook that gives quick, guaranteed results. You will find hard-hitting letters to collect annoying little accounts, and those to collect big ones. There are letters to answer all types of customer situations, letters to get the money, letters to mollify the "hurt" customer, and letters to build good will. You will find more than 500 tested collection letters and ideas in this valuable book. The author, John D. Little, is a veteran of 15 years in the credit business. His hard-hitting methods and techniques have won national acclaim. You will understand why when you read this book.



Instalment Sales Financing: Its Service to the Dealer (Commercial Credit Company, 14 Light Street, Baltimore 2, Maryland, 98 pages, free to our members on request but supply is limited). This is a thorough analysis of the literature, data, and experience in the field of consumer and commercial financing by Dr. Clyde W. Phelps, Head of the Department of Economics of the University of Southern California. This is Study No. 2 in a series of studies by the Company on subjects relating to instalment sales financing. It is concerned primarily with the wholesale and retail financing of automobile dealers and with the services provided for by these firms by the sales finance company.



Conversation and Communication (International Universities Press, Inc., 227 West 13th Street, New York 11, New York, 245 pages, \$4.00). Modern psychology is able to give new impetus to the study of language and understanding. The psychoanalyst, especially, has many opportunities each day to study the manifold ways of human expression and need for contact. This book is based on 25 years of such experience in a daily "word laboratory." The author combines linguistic, psychoanalytic and social-psychological concepts to investigate the various tools which man uses in his search for mutual understanding. The author is Joost A. M. Meerloo, M.D., Instructor in Psychiatry, Columbia University and Lecturer in Social Psychology, New School for Social Research.



Tax Planning for Foundations and Charitable Giving (Business Reports, Inc., One Main Street, Roslyn, New York, 236 pages, \$12.50). Government policy resulting in high taxes and inflation has seriously

weakened the finances of churches, private schools and charities. Inflation has increased their costs while high taxes have dried up large sources of support. In this new research study, William J. Casey, J. K. Lasser and Walter Lord analyze the public policy which gives tax concessions for charitable gifts made by individuals and businesses. Their study spells out how churches, charities and schools can aid in meeting the financial problems of individuals and businesses and, by so doing, increase their own financial strength. The study is big, 8½" x 11" in size, handsomely bound and gold stamped, and available for ten days' free examination without obligation.



Farm Equipment Retailer's Handbook (National Retail Farm Equipment Association, 1014 Locust Street, St. Louis 1, Missouri, 415 pages, \$7.50). The farm equipment retailer must be the most versatile of rural merchants; qualified to act as capitalist, banker, advisor, purchasing agent, salesman, credit man, collector, accountant, trainer of personnel, shopman, and participant in all constructive community activities. In such a role the retailer faces many complex problems. This book portrays numerous methods used successfully by the thousands of dealers who are members of the State and Regional associations, affiliated with the National Farm Equipment Association. It is not one man's opinion but the consensus of many dealers, salesmen, credit executives, and other industry leaders. It is the first and only book dealing with merchandising and management problems of farm equipment retailing.



American Life: Dream and Reality (The University of Chicago Press, Chicago 37, Illinois, 268 pages, \$3.75). What social class do you belong to in America's "classless" society? Why do you join clubs, listen to soap operas, observe Memorial Day with prayers, picnics, and celebrations? What do you expect from the "American Way of Life"? Our society is vast and complex, and a systematic analysis of it is, of necessity, an enormous task. Yet, W. Lloyd Warner, Professor of Anthropology and Sociology at the University of Chicago, presents in this book the facts about our culture in simple and exciting terms. This is the story of a great democracy trying to become more democratic and at the same time solve the problem of unifying vast populations and diverse enterprises. This book is the author's attempt to summarize for the general reader the conclusions which he and his colleagues have reached through their research of the past quarter-century. He has succeeded brilliantly and presents in an easy, fluent style a new view of America that will amuse, startle, and enlighten all Americans.

Standardize at the Top Level

Avadana Cochran

**Manager, Credit Bureau of Kitsap County
Bremerton, Washington**

"Well," you might say, Mr. Credit Granter: "You people in the Associated Credit Bureaus of America have been talking about standardization of service for a long time. But I don't understand why I'm supposed to get excited about it. As long as my local credit bureau makes good reports and gives good time service—as long as I get good results from my local collection service and my customers don't get angry—what do I care about the service in other towns?"

That's all right. In fact, it's nice that you appreciate the good service you're getting. But (and I believe most of our ACBoFA members will agree with me) there is no service so good that it couldn't be improved in some way. Furthermore, customers in those other towns may be your customers tomorrow, and you'll be glad to have a complete credit report on them from their previous residence. Finally, you have several customers with old balances who may suddenly get a job somewhere else and leave without paying you. You'd like to know that the affiliated collection service in their new community is as efficient as the one in your own town.

So that's your stake in the ACBoFA standardization program. Now then—one point I want to emphasize is that we are trying to standardize in a special way. We do not want simply to hit an average of service all over the country and then freeze it there—we want to level up all credit bureau and collection service to conform with that given by ACBoFA's top-functioning offices. So you might say that, difficult as this sounds, we are trying to standardize at the top level!

My own district organization, the Associated Credit Bureaus of the Pacific Northwest, had the pleasure of cooperating with ACBoFA in starting a program which should do a lot for standardization. Last January, we held the first seminars in St. Louis, to train instructors to conduct district seminars all over the country.

Now the seminar program is well under way, and by the end of October, 1,100 of our 2,700 member-officers had sent representatives for this special training in more than 30 communities coast to coast. The fact that it is given in their own areas, by people they know, makes it more possible for them to attend.

What These Seminars Cover

The ACBoFA seminars—set up to be just two days and a night of intensive training—have their emphasis on the "do's" of correct practice. For example, the collection service seminar begins with a discussion of the type of words and phrases that motivate people. After the

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

language pattern is established, the next point is collecting by telephone. Collecting by mail and by personal interview are covered next.

These sessions all emphasize "do's." The "don'ts" are contributed by the seminar members themselves. In real life situations, each member of the seminar makes collection calls to which the rest of the group listens. When he has finished, his performance is carefully analyzed and helpful criticisms are given.

For the credit bureau seminars, this session is also short—like the collection service seminar—and begins with the magic of word motivation. For example, when a reference refuses to give you information, what motivating words can you use to influence the reference to change his mind?

Next comes the proper method of reading a credit report over the telephone. This, naturally, should be of interest to every credit granter because he wants accurate reports, he wants them full, and he wants them fast. Here, as in the CSD seminar, the seminar members have a real life situation—they get calls from credit granters and they have the master cards to give proper information. Their performance is commended on some points; suggestions for improvement are made on others.

Ways to correct slowness of reporting service come under inspection and discussion next. Also, examples of written credit reports are blown up and flashed on a screen for the group to point out where improvements can be made.

Theme Stressed Throughout

All through these credit bureau and collection service seminars, the repeated idea is that the greatest advance will come through standardization—that the words "Collectrite Service" and "Factbilt Reports" should become as dependable and familiar to credit granters as other brand names they see on the market: Heinz, Coca-cola, Ford, Chase and Sanborn, and others.

Our seminar instructors in the Associated Credit Bureaus of America are people with special experience in their own fields. They are getting the idea across dramatically that even the best manager needs a "refresher" course, and that those with little training will find ideas that help them immediately.

As one manager put it, "You can use this knowledge as soon as you get home—it's practical in its approach. You don't have to go out and get a different kind of personnel; you don't have to get a whole bunch of new machines; and you don't have to change the attitude of your credit-granter-users. The seminar program tells you how to use what you *are* and what you *have* more efficiently."

I hope that if a seminar is to be held near your town, you as a credit granter will encourage your credit bureau or collection service manager to participate. *It can mean a lot to you, and your firm.* ★★



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

The Curtis Garnishment Bill—Exploration of the Subject of Collecting Delinquent Income Taxes From Federal Employees: Recent statements by Senator Williams, R., of Delaware, and others, have focused attention on this important problem.

Within the past few days a spokesman for the Director of Internal Revenue, Maryland area, which includes the Nation's capital, said the rate of delinquency in income tax payments is higher in the Greater Washington area than anywhere in the Nation. He attributed the problem here to the large number of federal employees.

At the time we first discussed the garnishment bill with its author, Representative Thomas B. Curtis of Missouri, he pointed out the need for legislation to plug up this loophole.

While the Director of Internal Revenue has extremely broad powers for collecting delinquent Federal income taxes, by a process known as "warrant of distraint," which operates like a lien on real property, and a judgment on bank credits and salary payments due from private corporations, these remedies have been held inapplicable to federal employees.

The basis for the distinction is the same as in the case of garnishment, namely, the sovereign government is not responsible to answer distraint any more than a judgment, absent a specific statutory provision consenting thereto. It is precisely this "consent" element in the garnishment proceedings which it is the purpose of the Curtis bill to provide.

The question of recovery of delinquent taxes from federal employees has long been under consideration by officials of Internal Revenue and the Treasury Department. It has been presented to Congress several times, and has been the subject of hearings and investigation by the Ways and Means Committee.

The latest legislative proposal on the subject was included in H.R. 7893, a general revenue reform bill, introduced in the last session of the 82nd Congress. This bill was amended in the last days of the King subcommittee studying the Internal Revenue Bureau, to incorporate some of its recommendations.

It contained a section entitled "Collection of Delinquent Taxes of Federal Employees" and provided that any "officer, employee, or elected official of the United States liable to pay any Federal tax," and failing to do so "within 10 days after notice and demand," a further notice may be given to the department or the agency employing such person, and the amount of unpaid tax. Upon receipt of such notice the employer shall deduct and pay over to the Secretary of the Bureau from each payment of compensation thereafter payable to the employee, until the amount specified in the notice has been fully

paid, an amount equal to 10 per centum of such employee's salary.

While this particular bill died at the end of the 82nd Congress, it, and the subcommittee report to the full Ways and Means Committee, represented a major effort by the King Committee. The report concluded almost two years of investigation. In it the Committee said: "This revised bill will be available for your consideration in the next Congress."

We have learned from Treasury officials that the question of the 10 per cent "offset or withholder," as the tax procedure against delinquent taxpayers is called, is presently again "up for consideration." While it may well be that the problem of revising and strengthening the internal revenue laws in regard to collecting delinquent taxes from federal employees should be considered separately from the question of garnishment, yet the two problems are so closely related that action on the one could hardly fail to have its bearing on the other.

Private Initiative Takes Hold: We call attention to a valuable contribution in the field of money, credit, and banking. It is a recent publication of the Committee for Economic Development, entitled "Flexible Monetary Policy—What It Is and How It Works." To mention titles of several of the twelve chapters shows its applicability to our field: "Inflation and the Money Supply"; "How the Money Supply Expends"; and "Selective Credit Regulation."

For those who may not immediately recognize CED among the vast array of such titles in Washington, it is the wholly private organization which was started in 1942 by a group of businessmen, economists and college professors to combat the problem of declining employment at the end of World War II. It has been credited with a notable achievement in that regard.

CED has been continued for the purpose of study of, and issuing policy statements on, selected economic problems of national importance. From the beginning it has been financed entirely on a private basis.

Present Chairman of the Trustees is Meyer Kestnbaum, President, Hart, Schaffner and Marx. First Chairman was Paul G. Hoffman. The above publication and information on other publications may be obtained by writing to the Committee for Economic Development, 444 Madison Avenue, New York 22, N. Y.

Economic Indicators is the name of a government informative publication including much retail sales and consumer credit information. Published monthly by the Joint Committee on the Economic Report, it is not for sale, but is available in limited quantities from the Committee. It tells its story in almost each instance by charts and graphs, plus supporting figures. ★★★

Los Angeles Holds Meeting In Police Academy

MORE THAN 250 credit executives and their guests attended the November meeting of the Los Angeles Retail Credit Associates held November 10, 1953, at the Los Angeles Police Academy. In addition to the members of the Los Angeles Retail Credit Associates, the group included representatives from the Stores Protective Association, the Credit Women's Breakfast Club of Los Angeles and members of the Retail Merchants Credit Association. Invitation to the affair was in the form of an imitation subpoena.

William W. Weir, retired, generally referred to as the Dean of Credit in Los Angeles and an honorary life member of the National Retail Credit Association, was a special guest. James W. Scott, Assistant General Manager, Retail Merchants Credit Association, was in charge of the meeting. In keeping with the approaching holiday season, he offered some timely ideas for the prevention of frauds, impersonations and credit load-ups. He also gave the following suggestions regarding bad checks:

This information is not considered to be a cure-all, but due to the fact we are entering the holiday selling season, we wish to call your attention to it.

- 1) Review your check acceptance procedure.
- 2) Watch your check-warning information.
- 3) Examine the identification presented.

The following are examples of *good identification*, provided they are supported by other information:

- a) Driver's license, not "temporary."
- b) Selective service cards.
- c) Passports, Charga-Plate. (Compare signature.)
- d) Firearms permits.
- e) Credit cards, providing they are issued by known and reputable firms with the subject's signature and provided they are not expired (note expiration date, particularly on oil company credit cards).
- f) Employee identification cards if issued by well-known companies and containing a description of the individual and his signature.
- g) Employee badges (with photograph).

4) Examples of *poor credentials*; they are listed in the order of their worthlessness:

- a) Temporary driver's license.
- b) Voter's registration slips.
- c) Social Security cards.
- d) Tamper Proof I.D. cards (the Main Street variety).
- e) Library cards.
- f) Hunting and fishing licenses.
- g) Employee badges and card (without photo or signature).
- h) Bank passbooks.
- i) Membership cards, etc., that have no signature for comparison.

Several types of identification are always better than one. Do not overlook the possibility that even three or four poor credentials may have been stolen or found by the passer. When handed the credentials along with the check, compare the photo, look at the description and compare that with the subject, look at the signature on

Write for Low-Cost Test-Plan! Compare!

27th success-year with Hecht's; Foley's; Jordan Marsh; May Co.; and other top stores, large and small.

For ace Akron store, our unique mdse.-fashion approach opened

11,000 NEW CHARGE ACCTS.

for **50¢** each

3000 New Accts. opened for Goerke's, N. J. bought during the first year alone **\$301,000**

WE REVIVE 50% to 70% INACTIVES

3725 (50%) Inactives in famed Texas store bought within six months, at 1/2 cost **\$241,000**

LESTER **brozman** COMPANY
160 FIFTH AVENUE, N. Y. C. 10

the identification and the signature on the check the subject is passing. Think about the transaction. *If you feel it does not look quite right, do not cash the check.*

On marking down the information from the credentials submitted by the subject, note this information on the face of the check in the upper left-hand corner. If there is not sufficient room there and the information must be noted on the back of the check, write same on either end so it will not be obliterated by the store stamp and the bank stamps.

Watch out for the following:

(A) Do not accept any rubber-stamped business checks, as they are invariably phony. Be careful of two-party personal checks; if the check is worthless, the chances are you will not be able to locate the maker, and at the most you will have only a civil case against the payee, the person you accepted the check from. You should not accept a third-party personal check unless the third party, the person who is presenting the check, is known personally to you or has an account at your store.

(B) I would not accept a check where the signature was not legible. You would be surprised at the large percentage of worthless checks that are turned in to Stores Protective Association office where it is impossible to make out the signature.

The Stores Protective Association files are complete and it takes only a few seconds to make a telephone call to determine whether or not the subject has ever been involved in any check activities in any of the member stores, provided of course the checks have been turned over to our office.

He also urged members not to hesitate to call the Association for a preliminary file check on all new applications under consideration. He stated that there was plenty of business for everybody and that no need existed for taking chances or selling to those who, by their later failure to pay, robbed the merchants of their well-deserved profits.

An exhibition pistol team of the Los Angeles Police Department gave an excellent demonstration of the high degree of accuracy that may be acquired with a revolver. Motion pictures were also shown giving a vivid demonstration of cadet training, followed by another short film on holds used by the Police Department in their encounters with law violators and criminals; which all brought a most enjoyable evening to a successful conclusion.

★★★

CREDIT DEPARTMENT

Letters

LEONARD BERRY

THE TERM *public relations* seems to imply something complex and involved. It conjures up mental pictures of experts, profound psychologists, professional propagandists, molding, shaping and guiding public opinion. And, much of this is true. *Public relations* is a big subject. Few of us can hope to become expert in all its many ramifications.

Fortunately, however, it has its simple side. A side we can understand and apply in our daily work. It is well that this is so because credit department personnel are especially important in public relations, whether they think they are or not. We touch people at particularly sensitive spots, delicate matters of personal finance and reputation.

Good public relations is a matter of getting people to respect, and want to do business with us. Just as an individual's personality is the total of all that he does or says, so the corporate personality is the total of all that those in the organization do or say. That imposes on credit department correspondents a personal responsibility to handle all matters with thoughtfulness, consideration and courtesy.

Think of each letter you write as being part of public relations. Try to find the best way of saying what you have to say. Real people read your letters, not just accounts, numbers or prospects. Visualize a person when you write, and your letters will be warmer, friendlier and more successful. Make the reader feel you are genuinely interested in him, and that you are sincerely eager to find a mutually satisfactory solution to whatever problems exist. If you are successful in doing that, you will add luster to the firm's reputation for doing and saying things well.

As we go into the final hectic days of the Christmas shopping season . . . patience wearing thin . . . tempers becoming short . . . customers hard to please . . . this poem by an unknown author printed in *The Pick-Up*, might help to minimize the strain:

A little less impatient with those we deem too slow;
A little less of arrogance because of all we know;
A little more humility, seeing our worth is slight;
We are such trivial candles compared to stars at night;
A little more forgiving and swifter to be kind;
A little more desirous the word of praise to find;
The word of praise to utter and make a heart rejoice;
A little bit more careful to speak with gentle voice;
A little more true eagerness to understand each other;
A little more real striving to help a shipwrecked brother;
A little more high courage to each task that must be done;
These be our resolutions . . . and God help everyone!

This Month's Illustrations ➡

Illustration No. 1. Here is a good example of good will building letter that can be used at any time and sent to good customers, whether they be credit users or not.

R. C. Thomas, Credit Manager, Earl Hodges Tire Service, Wichita Falls, Texas, reports that, "... this letter, which we mailed to a number of our good customers, created more favorable comment and good will than any letter we have ever used." From the attention-getting opening to the cordial closing the letter carries the reader along. The ideas are well organized and the pace of the letter sustained and even.

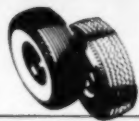
Illustration No. 2. Those stores and firms using credit cards, renewable on a periodic basis, have a splendid opportunity for credit sales promotion when sending new cards. Reuben Gerber, Credit Manager, Henry B. Klein, McKeesport, Pennsylvania, uses this fine letter to accompany the new credit card, when sent to inactive account customers. The credit card (not shown) is attractively printed in two colors with the name and address of the customer on the reverse side.

Illustration No. 3. This unusual "overprint" on an inactive account statement has a solid blue background which matches the color of the type used on the other part of the statement. It is used by W. G. Wiley, Jr., Credit Manager, St. Paul & Tacoma Lumber Company, Tacoma, Washington. We particularly like the complimentary closing, "Cheerfully yours." That seems to give a good-natured and friendly tone to the message. Note, too, that special mention is made of a new product that should be of interest to the Company's customers and induce renewed use of the account.

Illustration No. 4. Jack Hufford, Credit Manager, Henry's, Wichita, Kansas, sends this account acceptance letter to his new approved credit customers. The printed slip referred to in the letter (not shown) indicates the type of account opened, 30-Day Account, payable ten days after closing date, 60-Day Account, payable in two equal monthly payments, or the 90-Day Account, payable in three equal monthly payments. The closing date of the account is also given. Mr. Hufford tells us that the letter has caused favorable comment from many customers.

Illustration No. 5. This printed collection reminder is used by Alexander Harding, Credit Manager, John H. Pray & Sons So., Boston, Massachusetts. It is attached to a statement showing only the amount unpaid. Mr. Harding reports as follows: "This I call the pest. It is the first time in our 135-year history that we have ever attempted anything but a dignified letter and I was somewhat anxious as to the reaction. After several months' usage we have had no complaints so I think we are over the hurdle. It is rather effective in getting in the money, which is the important thing, without offending anyone."

To all our members: Merry Christmas and Happy New Year!



EARL HODGES TIRE SERVICE

Phone 4341

603 Scott Avenue
Wichita Falls, Texas

HEADQUARTERS FOR



WITH DUAL TRACTION

December 15, 1953

Mr. John C. Customer
600 Main Street
Wichita Falls, Texas

Dear Mr. Customer:

Someone has remarked that we of this generation are missing a great many pleasures that our fathers and forefathers enjoyed because of the extremely fast tempo of everyday living.

Few of us would favor rolling time back 10 or 50 years. On the other hand many of us would like to find time on our schedule to express our appreciation to our friends and associates for those deeds and acts of kindness toward us that make life so worth while.

The same thing is true with so many of us in private business. We appreciate our customers and their business, but seldom find time to express ourselves accordingly.

We have resolved that our customers shall be informed occasionally that we sincerely appreciate their business regardless of the tempo of our time.

You have probably guessed by now that all we want to say is—"Thanks a Million".

Sincerely yours,

HODGES TIRE COMPANY

R.C. Thomas
Credit Manager

St. Paul & Tacoma Lumber Company

Retail Building Material Department
705 EAST 11th ST.
TACOMA, WASHINGTON

Mrs. John C. Customer
600 Main Street
Tacoma, Washington

3

ALL BILLS WILL BE DUE BY THE 15TH OF THE MONTH FOLLOWING PURCHASE

INTEREST ON ALL PAID BILLS ACCRUES

BALANCE BROUGHT FORWARD

You Have Us In The Dark

And you are the only one who can help us find our way out.

I was reminded that you have not given us the opportunity to serve you lately. When a good customer stops buying, we start groping in the dark for a reason.

Since you haven't been in lately, you will be more than delighted to know that we have developed a new "brushed" plywood product for paneling. Drop in and look our samples over. It was a pleasure to serve you before, and it will be a pleasure to serve you again.

Cheerfully yours,
H. G. Kelley
Credit Manager

More to Offer the Prospective Buyer

HENRY
KLEIN
Clothing & Miscellaneous

One of Pennsylvania's Finest Men's Stores
1311 FIFTH AVENUE - McKeesport, Pa.

December 15, 1953

Mr. William T. Smith
100 Congress Street
McKeesport, Penna.

2

Dear Mr. Smith:

There's a teardrop running down this page because we're homesick for your visit. Yes, we've really missed you!

Perhaps you don't realize how long it has been since you last used your charge account here. But we do!

Most of our customers have been with us so long that they're really friends...and that's the way we feel about you. Honestly, we'd rather serve an old customer than two new ones.

A preferred charge account like yours is always ready for use, and serving you again will be a real pleasure. Every effort will be made to please you...so why not come in soon, even though to browse around.

Cordially,

HENRY B. KLEIN CO.

Reuben Gerber

Reuben Gerber
Credit Manager

P.S. Our NEW boys department is fully stocked. Next time you stop in the store make it a point to see this lively Junior Fashion Department. You're welcome, you know!

Enclosure
1954 Credit Card

"Count on us for Perfect Fit"

Henry's

BROADWAY AT WILLIAM
WICHITA 2, KANSAS

December 15, 1953

Mrs. John C. Customer
600 Main Street
Wichita, Kansas

4

Dear Mrs. Customer:

Thank you for the opportunity you have given us of opening a charge account in your name, and we sincerely hope that you will find it a source of satisfaction in your shopping at Henry's.

You will, in a few days, receive your Charge-Plate token for your convenience while shopping at Henry's. Perhaps you have received a token from another member store; in this case our Credit Office will be happy to place our notch in your token at your convenience.

You will receive an itemized statement every month showing all transactions of the preceding month. Payment should be made as shown on the enclosed slip, which were terms agreed upon at the time of your application.

Since only transactions satisfactory to you can be satisfactory to us, please be sure to advise us when we have not fulfilled your expectations.

Sincerely yours,

HENRY'S INC.

Jack Rufford
Jack Rufford
Credit Manager



WE HATE TO BE
A PEST, BUT WON'T
YOU SEND US YOUR
CHECK TODAY... please!

PRAY'S

CREDIT FLASHES

To Credit Bureau Managers

We are always pleased and feel complimented when credit bureau managers use material from *The CREDIT WORLD*, or refer to articles by page number and title, in bulletins to their membership. We would like to encourage this practice. Accordingly, an article is now being prepared for a future issue of *The CREDIT WORLD* pointing out the many advantages of this procedure. Letters from credit bureau managers, setting forth their experiences in using *CREDIT WORLD* material, or referring to it, in publications will be welcomed. Permission to quote you will be appreciated.

For Sale

Will sell all, or part interest, in the Hendricks County Credit Bureau, Plainfield, Indiana. Business well established and profitable. Other business interests only reason for selling. Will sell on terms, if desired, with down payment of \$3,000.00 and balance paid out of earnings of business. Write Edward D. Lewis, Attorney at Law, Plainfield, Indiana.

Four Credit Associations Get Charters

Presidents of four Credit Associations in Snohomish County, Washington, were presented charters affiliating them with the N.R.C.A. at a dinner in Everett, Washington, October 3, 1953. Walter A. Jensen, Portland, Ore., congratulated the groups on their prospective program for effective credit control in the communities and told them they were being looked to as a pattern by other communities in the Pacific Northwest. Mr. Jensen's presentation climaxed the first annual joint meeting of the members of the five credit associations with the Associated Retail Credit Managers of Everett serving as hosts. Principal speaker at the affair was William Wiley, Tacoma, Wash., who discussed, "Your Credit Association: Local, Regional, District and National." Helen B. Sawyers, Manager, Credit Bureau of Snohomish County, is Secretary for the five groups.

Shown below is a picture taken at the presentation. Left to right, are: W. H. Ross, President, Associated Retail Credit Managers of Everett; Walter A. Jensen, Field Secretary, N.R.C.A.; Helen B. Sawyers; Allan Swoboda, President, Snohomish Credit Bureau; Elmer Wood, President, Darrington Credit Association; Vic Johnson, Vice President, Arlington Credit Association; and J. Ed Humphrey, President, Monroe Credit Association.



Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont and Quebec, New Brunswick, Nova Scotia and Prince Edward Island, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Massachusetts, May 16, 17, and 18, 1954.

District Two (New York and New Jersey) and **District Twelve** (Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia) will hold a joint annual meeting at the Claridge Hotel, Atlantic City, New Jersey, March 7, 8, and 9, 1954.

District Three (Florida, Georgia, North Carolina and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi and Tennessee) will hold a joint annual meeting at the Hotel Charlotte, Charlotte, North Carolina, April 4, 5, 6, and 7, 1954.

District Five (Kentucky, Michigan, Ohio and Ontario, Canada) and **District Thirteen** (Illinois, Indiana and Wisconsin, except Superior) will hold a joint annual meeting in Chicago, Illinois, February 21, 22 and 23, 1954.

District Six (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Superior, Wisconsin and Manitoba, Canada) will hold its annual meeting at the St. Paul Hotel, St. Paul, Minnesota, May 9, 10, and 11, 1954.

District Seven (Arkansas, Kansas, Missouri and Oklahoma) will hold its annual meeting at the Goldman Hotel, Fort Smith, Arkansas, March 14, 15, and 16, 1954.

District Eight (Texas) will hold its annual meeting in Dallas, Texas, May 24, 25, and 26, 1954.

District Nine (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Cosmopolitan Hotel, Denver, Colorado, April 25, 26, and 27, 1954.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) and **District Eleven** (Arizona, California, Nevada and Hawaii) will hold a joint annual meeting in conjunction with the 40th Annual International Consumer Credit Conference of the National Retail Credit Association, The Fairmont Hotel and The Mark Hopkins Hotel, San Francisco, California, July 19, 20, 21, and 22, 1954.

Position Wanted

Credit manager or office manager. Six years' experience collections large finance company. Four years' professional collection and office manager experience. Now responsible administration and finances three million dollar institutional budget. Thirty-seven years old. Married with family. Excellent references. Salary open. Location immaterial. Box 12531, *The CREDIT WORLD*.

Carrying Charges ARE Tax Deductible

The following appeared in *The Chicago Tribune*, November 19, 1953: "If you pay carrying charges when you buy something on the cuff and it really amounts to paying interest, the United States Tax court says you can deduct the charges from your income. The court made this ruling, and several others, in deciding a dispute between the internal revenue service and O. G. Russell, locomotive fireman, of Tahlequah, Okla.

"Russell appealed to the court against demands by the revenue service that he pay an additional \$79.64 on his 1948 income tax on the grounds that he made deductions which should not be allowed. The Tax court upheld Russell's contention on most points, including the carrying charges.

"Russell listed deductions totaling \$69.30 as carrying charges under the heading of interest paid on purchases of a washing machine, a refrigerator, two saddles, and a set of tires.

"The revenue service disallowed the deductions on the grounds that the carrying charges are not interest. The Tax court overruled the revenue service saying, 'the fact that the payments were called carrying charges does not preclude their deduction as interest if they were of that character.'"

Position Wanted

Credit executive, with many years of experience and an outstanding performance record, now employed, desires new connection. Thoroughly versed in sales promotion, systems and procedures, forecasting, budgeting, personnel relations and policy making. Box 12532, The CREDIT WORLD.

Seattle Association Establishes Scholarship

A scholarship in consumer credit, to be awarded annually to a senior student majoring in Finance and Credit in the College of Business Administration, University of Washington, has been established by the Retail Credit Association of Seattle. The scholarship was established in the amount of \$250.00, which university officials indicated would cover tuition and textbooks for one school year.

Bases for the award are scholarship, participation in student activities, and need, in that order. Thirty-seven students applied for the scholarship. Preliminary screening of applicants was done by Professor Harry E. Blythe, who teaches several courses in credit, and who has assisted the Seattle Association for the past two years in the planning and execution of its educational program. Final selection was made by a committee consisting of James E. Lee, Association President, Joe E. Moore, Treasurer, and Professor Blythe.

Creation of the scholarship, the Seattle Association feels, is an expression of its educational objectives as well as those of the N.R.C.A. It is hoped that such a scholarship will create an interest in the consumer credit field, and will serve to attract more college graduates into consumer credit positions.

Winner of the first scholarship was Donna Prevost of Seattle who, in her freshman year, had indicated her career objective as a position in the retail credit field.

Mark Lansburgh

Mark Lansburgh, 64, retired Vice President of Lansburgh & Bro., Washington, D. C., died at his home of a heart attack, October 29, 1953. He was associated with the store from 1913 until his retirement in 1951. He joined the store, founded by his father James Lansburgh and Gustave Lansburgh, soon after graduating from the University of Pennsylvania. He was active in civic affairs and served two terms as chairman of the District Development Land Agency. He was also a member of the District Motor Vehicle Parking Agency; Treasurer of Recreation Services, operating agency for the Armed Services Hospitality Committee; and a trustee of American University. Mr. Lansburgh was a board member of: Group Hospitalization; Children's Hospital; Instructive Visiting Nurses Society; National Bank of Washington; and Acacia Mutual Life Insurance Co. He served as president of the Merchants and Manufacturers Association and the Washington Kiwanis Club. He was a Mason, member of Scottish Rite and Shrine, as well as Congressional Country Club, Woodmont Country Club, National Press Club, Washington Board of Trade and the Explorers Club of New York. He was Credit Manager of the store when he attended the N.R.C.A.'s annual convention in Boston, Mass., in 1918. He was a past president of the Associated Retail Credit Men of Washington and served as toastmaster at the banquet of our annual conference held in that city in 1932. He was also active in the affairs of District 12.

He is survived by his widow, Hortense, and two sons James and Mark, Jr., to whom we extend our deepest sympathy.

Miss Prevost has maintained an A average throughout her three years in the university, and has been elected to membership in Beta Sigma and Sigma Epsilon Sigma, business administration honoraries. In her second year she was chosen the outstanding sophomore woman in the College of Business Administration. This year, for the second time, she is president of her sorority, Delta Zeta.

Miss Prevost was presented with the award at the November dinner meeting of the Seattle Association. President Lee made the presentation, shown below. Speaker of the evening was J. H. Fisher, Portland, Oregon, Director of N.R.C.A. from District 10.



The Credit Forum

New Business With a Profit

B. C. DELOACH
Loveman, Joseph and Loeb
Birmingham, Alabama

THIS SUBJECT, "New Business With a Profit," is of great importance not only to credit managers, but every employee of our organizations. If we do not have new business with a profit we will not have a job. First, I would like to say a few words about the importance of the credit department and, to be more specific, the credit manager. It is gratifying to know that management, in its present-day thinking, takes an entirely different view of the importance of the credit department from what it did some years ago.

I wonder if you ever stopped to consider how your responsibilities to your organization compare with those of other department heads. Some time ago I did some checking and found the total outstanding accounts receivable, as of a given date, amounted to practically three times the cost of total merchandise in all departments of the store as of the same date. When you consider there are about 60 or 70 buyers who are responsible for inventories, it makes the credit manager a pretty important person.

Another reason you are important is the relationship you have with your customers, or customer relationship. In this sense you again are the key person in your company. So many times a customer's first contact with your store is in the credit department. This contact will determine whether you will get a new charge account, or your competitor down the street will get one. If a customer becomes offended by anyone in the store, she usually heads for the credit department to close her account. If she does not have an account, she comes anyway to blow off steam. If you are the right kind of credit manager, you will promote new business and profitable business by sending this customer away with a smile on her face.

The credit manager quite often is referred to as credit manager and sales promotion man. This, I think, is as it should be. I am convinced in my own mind that the credit manager is in a position to put more new business on his books, at less cost, than any other individual in the organization, including the advertising manager. If your firm pays \$700.00 for a page in your local newspaper to promote a certain item of merchandise, and it clicks, the store will derive benefits from that expenditure for the one day and after that, nothing. But if you spend an equal amount to put charge customers on your books, they will, in many cases, be your customers for years to come, and too, they will be a big influence in bringing others into your store.

I cannot tell you the methods you should use to secure new charge accounts. That will depend on many circumstances. What might be profitable for one company, might not be profitable for another. I will give

you a few things we have done in the past that appear to be successful to some degree. Our store celebrated its 66th Anniversary last May. It does around fifteen million volume a year, and has always been known primarily as a *quality* store.

We receive from our local credit bureau a daily publication that gives, among other things, a list of "New-comers" to the city. A letter of welcome is sent to these people offering them the services of our store, and we enclose two tickets for free lunches in our tearoom. This letter closes with an invitation to visit the credit department to open a charge account. We checked the records for several months and found 75 to 80 per cent of those who used the luncheon tickets, actually opened an account and made purchases within 30 days.

Many stores are now making use of the silent interviewers. We have been using this system for several years and find we are opening just about as many new accounts by this method as we do where the customer comes to the credit department. We are convinced we get many good charge customers in this manner that otherwise we would not secure. We use a simple application for this purpose with all of the so-called fine print omitted. On the average, I would say these customers are as acceptable as credit risks as those that come to the credit department.

There are several large towns in the northern part of our state, that are well within the shopping area of our store. These towns are large enough to have city directories published. By using one of these directories in connection with Dun & Bradstreet, we were able to solicit several hundred accounts in each one of these towns without paying for credit reports. This has proved to be successful especially in those towns that are within a distance of fifty to sixty miles of Birmingham.

About a year ago we made a list of every town within our state that had a population of 1,500 or above. By use of our Dun & Bradstreet book, we made an alphabetical list of all businesses in each town that had a rating of E-2 or higher. An E-2 rating is for twenty to thirty-five thousand high. We then went to our local Dun & Bradstreet office and asked them what the charge would be to give us a list of the individual owners of these businesses. In cases of corporations we asked for names of the officers. We found we could secure a list of names without street addresses at a reasonable figure. We then went to our local telephone office and for a few dollars were able to secure a telephone directory from every town within the state that published one. So then it was very easy to match names furnished us by Dun & Bradstreet with names and addresses in the telephone directories and solicit the accounts. We solicited around 4,500 accounts in this manner. I have heard credit men make a statement that unless a minimum of 10 per cent of accounts solicited, make purchases or use the accounts, they felt it was not a paying proposition. I cannot agree entirely with this thinking. We have not had as

many as 10 per cent of these accounts buy on credit and yet I have evidence of many substantial purchases made in our store for cash that were made as a result of our solicitation letters. I feel we will benefit from these letters for several years to come, regardless of whether the customer buys on credit or not. Some day these people from the most remote part of the state may come to Birmingham. The chances are they will remember the friendly gesture on our part and visit our store.

All practicing physicians are listed in the telephone directories as doctors or physicians. We sent a solicitation letter to every physician in the state whose name was listed in the telephone directories. We have had good results from this solicitation. I recall one account in particular that made a purchase of over \$800.00 worth of furniture.

These are some of the things we have been doing in our organization. No doubt most of you have done and are doing all of these things in a better way than we are and probably have many more ideas that have not been mentioned. ★★★

Promoting Sales Through the Credit Department

MRS. MARY GEYER
Wilson Motors
Jackson, Tennessee

THE DEVELOPMENTS of our modern atomic age have necessitated the coining of many new words. We have added these new words to our everyday conversation and have further complicated the expressions of our feelings to the extent that we become confused and unable at times to clearly define our thoughts. For example: the two words "fission" and "fusion." Mr. Webster defines fission as "the separating or breaking up of certain chemical elements." According to the same source, fusion is the melting together, or uniting of these same elements. Many one-celled animals of the lowest possible rank are able to reproduce their own kind only by a process of "fission," or separating of their one nucleus of physical life. In the other side of the picture, we speak of the fusion, or welding into an entire and complete whole, of two separate interested bodies who have merged from opposite viewpoints.

I know you are naturally curious to know how these two new words could possibly be related to promotion of sales through the credit department. As credit managers, we have a responsibility not only to our own department, but to the nearest related one, which is probably the sales force, on through to the service men, and so on down the line. We want our department to be a cog in the machinery that works harmoniously toward a completely unified establishment, in which every single department lends itself to the cooperation of every other person connected with our business. By simple logical reasoning then, we can see that in many instances the manner in which we personally transact our sales in the credit office is directly responsible for the "fission" or "fusion" that is created in every related department.

Can our sales force depend on us to be tactful and courteous in our relationship with the customer? We need to be conscious of the absolute necessity of strict privacy and confidence when we seek to get the required information for a credit reference. We need to realize that we want to practice the same sincere attitude in dealing with every individual case that we would want shown to us if the position were reversed.

Every salesman on the force must be made to recognize that when he brings a prospect to our credit office, both he and the customer will be treated with courtesy and respect while the necessary routine is being carried out. Some day when you have a few minutes' time, check up on yourself. Have you had a good percentage of trade-ins, new sales, or personal prospects from last year's customers? The promotion of sales in our department can often be attributed to our own personal handling of these things, since the best advertising in the world is a satisfied customer. The cooperation between the credit and sales departments can easily create "fission" or "fusion" throughout the entire establishment.

Probably the greatest source of contention comes from the service department. As credit managers, it is furthermore our responsibility to familiarize ourselves with the routine schedule of our service department.

In some instances when we close a sale we are likely to promise a type of service that is impossible for the department to carry out. We could avoid many of these misunderstandings if we would check before we promise the customer a "rush" service job. This department, like all others, has a reasonable routine schedule, and in some instances, due to prior commitments, it is impossible to break that schedule to fit the case of the credit management. In many other types of rush service the department is forced to slight one job in order to meet the demands of a new and often unnecessary rush assignment.

Finally the service department is, in many cases, expected to remain long after regular working hours in order that they may complete a job. Therefore it is unfair for any member of the credit department to promise a type of service that will require men or women to work long after their regular day is finished.

There are exceptions of some emergencies that may arise which require extra time after regular working hours. These emergencies may be expected and are met, when necessary, by the men or women without complaint. But the exception only proves the rule, and it is a part of our job as credit managers to seek to coordinate our customers' service demands in so far as is possible with the regular schedule of the service department.

In summarizing the over-all picture of our business, let us stress again that we in the credit department can do more to promote good will and create pleasant harmonious cooperation among the members of our establishment if we remember these simple rules.

1. Be fair, considerate and polite to the other workers in the various departments.
2. Do not press the advantage that we may have as personally being on the inside of the sales promotion program at the expense of the men who work in less important jobs.
3. Remember that every employee of the establishment has his own personal life to live after working hours.

4. Be thoughtful and considerate of the just rights of these lesser links that go to complete the business chain.

In so doing I believe that our business associations will tend to become a "fusion" or merging of all departments toward the over-all picture of good will. Finally, we will have the knowledge that as leaders, we have done our best to promote a feeling of satisfaction and good will among the employees that is transferred unconsciously from them to the customer. "Fusion," not "fission," in a business establishment bears out the true statement that the best advertisement for any firm is its satisfied customer. ★★

Newcomers

HOWARD G. CHILTON

Credit Bureau of Greater Fort Worth
Fort Worth, Texas

President, Associated Credit Bureaus of America

WHEN YOU see someone knitting a pair of booties, what do you think of? What comes to your mind? You know that there is going to be a new arrival to your own community. And when you hear the good news, what do you do? You, as an individual, probably will send a little present or at least congratulations to the family of the newcomer.

But, what do you do or what does your firm do when you hear of another type of new arrival, the newcomer who moves to your community? Do you express joy and happiness? Do you extend congratulations because new people have moved to town? Do you welcome them? Do you send them a greeting? Do you make them feel glad that they moved to your city? You know that these people are lonely, have no friends (few if any), and are eagerly waiting for someone to be friendly to them.

Since they have formed no definite shopping habits they are waiting for you to invite them to trade with you. You and I know that people trade where they are invited to trade and where their business is appreciated. Someone is going to welcome them, show them kindness and make them feel at home. Is that someone going to be *you* or will it be your competitors? Today every alert, aggressive retailer is endeavoring to find ways and means of increasing his sales volume. It is only natural that he is turning to the credit sales department to provide better methods of producing this increase and, in turn, it is only natural for the credit sales manager to turn to the credit bureau for help and assistance in building his volume, for he knows that the credit bureau is the best source he can use for securing new accounts.

Most progressive credit bureau managers believe that the credit bureau should investigate every newcomer who moves into town and find out about him as quickly as possible. We believe that the merchants of our city should be protected from the fly-by-nighter and an antecedent credit report should be secured on every newcomer before he seeks credit. Therefore, does it not stand to reason that a greeters service should be operated by your local credit bureau? Does it not stand to reason also, when these newcomers are welcomed and offered gifts by the local merchants, that a credit applica-

tion should be taken by the hostess and a credit report should be secured on all newcomers by the credit bureau? More and more credit bureaus are getting into this type of greeters service as time goes on. Many bureaus publish a bulletin which includes the names of newcomers to the community. Ours lists the postal zones to make it easier for our stores to solicit in certain sections of town. We also publish a list of new home owners.

Recently, we have made arrangements with the seven dairies in Fort Worth to give us a list of every new account they open and every cut-off. They have over 250 trucks covering the city and will know about almost every new family that moves to town. Since the route men take a thorough application and since the milk companies are willing to pass this information on to us, we have agreed to order previous residence credit reports on every newcomer to the city and to send the milk companies a copy of all reports which are derogatory. In addition to the dairies, we have contacted the seventeen transfer companies in our city and they furnish us daily with a list of all the families that move to town and from what city they moved. We also work very closely with the utility companies and the Rental Bureau at the Chamber of Commerce; so you can see by this, that we constantly stay on the alert to secure names of newcomers to our community. To those newcomers on whom we do not have sufficient information to order a report, a welcome letter is sent; a short-form application for a credit rating is enclosed. It is printed on a two-cent post card and we find that the return is now 50 per cent greater than on the type we previously used. As soon as our credit bureau obtains a name with address, employment, and references, we secure a new previous residence report and all such reports are referred to our business promotion department where they are screened and classified; then records of those newcomers indicative of being profitable charge customers are sent to our member stores which subscribe to this type of service, and, of course, it is offered to our entire membership. We believe that under no circumstances should the credit bureau sell reports to competitive firms on customers who live in our trade territory. But our merchants have agreed that on all newcomers to our city, regardless of which store instigates the original inquiry, after a reasonable time (5-8 weeks), these reports can be offered to competitive firms cooperating in this program.

This practice is condoned for two reasons: First, we think that a person who moves to our city will eventually find the best shops and will soon trade with all the leading progressive stores; so why not welcome Mr. and Mrs. New Arrival to the city as soon as possible; the second reason is that for over 55 years our Dallas Bureau has published a rating book which lists every active record in our files. It also lists all newcomers to town and is used by all our Dallas merchants for solicitation. Since we hope to publish a rating book in Fort Worth, the merchants there agreed to let us offer the reports on newcomers five weeks after the first store receives its original report.

Perhaps you would like to know how some of our Credit Sales Managers feel about this type of operation:

1. John R. Clark, Credit Manager, Monnig's, Fort Worth, Texas: "Your policy of securing credit reports

in advance of receiving orders for them appeals to us very much. Your assistance in helping the credit manager build his portion of the store's volume is definitely a step forward in the credit profession."

2. Dean Ashby, Credit Sales Manager, The Fair, Fort Worth, Texas: "One of the best prospects for new account requisition is that of newcomers. The source from which this information as to newcomers should be derived is naturally from the information given by the credit bureau who will have a report from the former residence of the newcomer. Your credit bureaus throughout the country are following this idea. They can be of exceptional service to their clients by providing the members with this information at an early date. Bureaus should introduce this idea immediately, if they have not already provided for it in their program."

3. Fred Marth, Secretary-Credit Manager, A. Harris, Dallas, Texas: "I find these reports very valuable and would like to continue to receive them if it is at all possible. Frankly I cannot understand why any credit man or merchant, for that matter, should have objections to your furnishing the reports to other merchants. Each of us receives the benefit of a new prospect and an excellent one at that. We are all out after new accounts."

4. Mr. R. A. Jackson, Credit Sales Manager, Volk Bros. Co., Dallas, Texas: "Since we have subscribed to your 'New Arrival Service' we have opened an average of 118 accounts per month. Our check to date shows 36 per cent usage with an approximate average purchase of \$95.00 per account used. Obviously this service is profitable to us. There are available various list services and methods for new account promotion. I have found it more economical to confine my new account promotion

to fewer services, rather than to try, perhaps less efficiently, the various new arrival lists, etc. The credit bureau is in the best position to furnish a new arrival service because of its interest in securing a previous residence credit report. Your service of screening the reports is more economical to us through the saving of service fees, and an extra cost of reports on the undesirables."

5. William Johnson, Director of Customer Relations, Neiman-Marcus, Dallas, Texas: "The credit sales manager looks to the credit bureau as their 'right arm.' I think the credit bureau should give the credit sales manager every possible help so long as the sales help is ethical and fair to all members, and does not create any specific problems of one firm contributing the sales information and the credit bureau offering that information to other firms to the detriment of the firm contributing the information."

6. J. Price Olive, Credit Sales Manager, Meacham's, Ft. Worth, Texas: "For several months we have used Blue Star Reports and we are highly pleased with this new method of solicitation. We are planning to use more of this service as we have found it to be an excellent medium for obtaining new business. Personally I am of the opinion that the bureau is one of the finest known tools to use in increasing volume which is most essential in modern merchandising."

Since your firm is interested in increasing its sales, encourage your management to permit you to instigate sales promotion campaigns, and call in your local credit bureau manager to counsel with you and show you proved ideas as to how your sales can be increased through your credit sales department. The Credit Bureau is the best source you can use for securing newcomer accounts. ★★★

CREDIT WORLD BINDERS

THESE NEW BINDERS, which we have recently purchased for our Members, are the pamphlet type with stiff blue fabrikoid covered sides and the words "The CREDIT WORLD" lettered in gold on the backbone. Each Binder will hold twelve issues. There is an individual wire for each issue which can be easily inserted. Every member should have one of these Binders for each volume or each year.

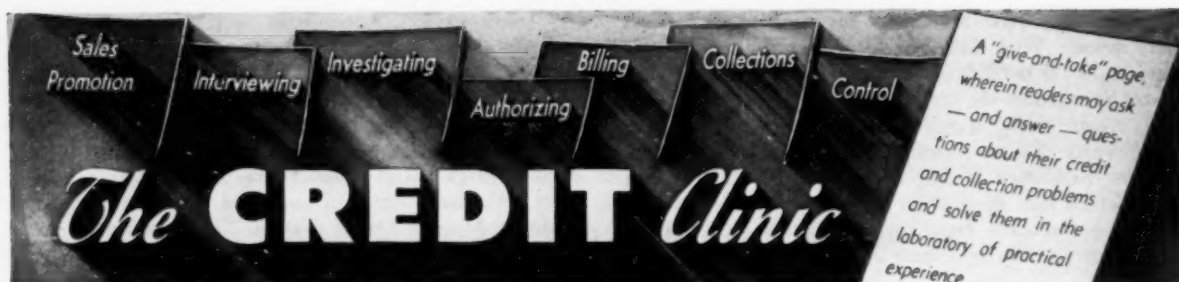
THESE BINDERS may be kept on your desk or in your bookcase for ready reference. When you have this Binder at your finger tips you do not have to fumble around for your CREDIT WORLD for last November. It will be there with all the other current copies. Order one today while you have your issues for 1953 still available.

ONLY \$3.00 POSTPAID

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI



Announcing a New Feature

FOR THE past several months we have printed in *The CREDIT WORLD* a "For the Smaller Businessman—Credit Clinic" series. These articles have met with the enthusiastic approval of our members. Such "question and answer" pages have provided expert assistance to them in their daily work and in the solution of their problems.

Accordingly, at the New Orleans Conference a plan to widen the scope and coverage of this Credit Clinic was presented to the Board of Directors and immediately approved. Here is the plan:

Representative members from several classifications of business have been named to serve on panels. There will be twelve such panels, following the pattern of our Group Meetings at International Conferences. Questions relating specifically to the particular group received by us from members will be submitted to the appropriate panel. The questions and the replies will then be printed in *The CREDIT WORLD*.

Beginning with the January 1954 issue, questions and answers for four of the twelve panels will appear each month. Thus, each group will be given the "floor" four times during the year. In that manner, all our members will periodically be given valuable information and guidance on their specific credit and collection problems.

Of course, we must have questions! Members are urged to send their questions, on any matter relating to credit, collection or general procedures, to the National Office as quickly as possible. The various panel members themselves have also been asked to submit questions. We want to create a substantial backlog of pertinent and timely queries.

This Credit Clinic holds promise of becoming a most important and useful permanent *CREDIT WORLD* feature. It will be almost a miniature credit conference every month, a clearinghouse of tested and approved methods and procedures.

As problems arise, or you desire enlightenment on any subject, please let us have your questions. Your cooperation will be appreciated and will contribute to the success of the program. Here are the panels and their members:

Banking and Finance

L. A. Brumbaugh, Valley National Bank, Phoenix, Ariz.
W. J. Fischer, Progressive Bank and Trust Company, New Orleans, La.
O. W. Frieberg, American Trust Company, San Francisco, Calif.
Cyril J. Jedlicka, City National Bank & Trust Co., Kansas City, Mo.
Mason M. Jones, The Bank of California, Portland, Ore.

R. W. Schilling, The Bank of Georgia, Atlanta, Ga.
K. G. Slocumb, Black & Armstrong Ltd., Winnipeg, Manitoba, Can.
T. W. Walters, The Bank of Ohio, Cleveland, Ohio
Keene W. Wolfe, Michigan National Bank, Battle Creek, Mich.

Building Materials

Mrs. Dorothe Bolte, Lyons Bros. Lumber & Fuel Company, Joliet, Ill.
Ben F. Collins, Warner Hardware Company, Minneapolis, Minn.
J. M. Dean, Building Material Dealers' Credit Association, Los Angeles, Calif.
Harold A. Lambert, Burton Lumber and Hardware Co., Salt Lake City, Utah
H. C. McCune, A. M. Holter Hardware, Helena, Mont.
J. R. Raymer, Yosemite Builders Supply Company, Merced, Calif.

Consumer Finance

Kaa F. Blue, Foundation Plan Inc., New Orleans, La.
G. H. Boswell, Personal Finance Company, Providence, R. I.
Harry C. Engel, Thrift Plan Finance Corp., Pittsburgh, Pa.
Doug Gerow, Doug Gerow Finance Company, Portland, Ore.
R. W. Gohde, General Loan Service Inc., Lincoln, Neb.
Francis W. Hulse, State Loan and Finance Corporation, Washington, D. C.
T. M. Nesbitt, Finance Inc., Birmingham, Ala.

Dairy and Baking

Wilson C. Fox, The Babcock Dairy Co., Toledo, Ohio
Joseph A. Gibson, The Polk Sanitary Milk Co., Indianapolis, Ind.
Walter Menzenwerth, St. Louis Dairy Company, St. Louis, Mo.
Harry W. McMillan, Borden's, Detroit, Mich.
Fred Rosselet, Crystal Creamery, Butte, Mont.
W. A. Schenk, Ideal Pure Milk Company, Inc., Evansville, Ind.
Harry N. Taylor, Beatrice Foods Company, Tulsa, Okla.

Department, Apparel and Shoe Stores

Col. Franklin Blackstone, Frank and Seder, Pittsburgh, Pa.
Charles H. Dicken, Gimbel Brothers, Philadelphia, Pa.
W. C. Goodman, Reynolds-Penland Company, Dallas, Texas
H. D. Jarvis, Burdine's, Miami, Fla.
Francis J. Lukes, Ed Schuster & Co., Inc., Milwaukee, Wisc.
Kenneth Oetzel, Boyd's, St. Louis, Mo.
R. M. Wylie, Weinstock-Lubin and Company, Sacramento, Calif.

Furniture, Musical Instruments, Electrical Appliances

Alexander Harding, John H. Pray & Sons Co., Boston, Mass.
J. E. O'Neal, John Breuner Company, Oakland, Calif.
Earl E. Paddon, Lammert Furniture Company, St. Louis, Mo.
W. F. Streeter, Boutells, Minneapolis, Minn.
Eldon L. Taylor, Glen Bros. Music Company, Salt Lake City, Utah
John E. Zimmerman, Morris Kirschman & Co., New Orleans, La.

General

O. L. Kinzer, Davenport Typewriter Company, Bakersfield, Calif.
 John N. Noble, Noble Bros. Grocery, Great Falls, Mont.
 Mrs. Una M. Pearson, Pearson's Fine Foods, Fort Smith, Ark.
 G. Wayne Pendergast, Chas. P. Mueller Floral Company, Wichita, Kan.
 Alfred S. Proctor, Denver Tent & Awning Company, Denver, Colo.
 V. E. Rasmussen, Evergreen Cemetery Co., Seattle, Wash.
 J. E. Starks, J. H. Rae Oil Co., Inc., Rochester, N. Y.
 A. G. Turner, St. Bernard Coal Company, Nashville, Tenn.

Hospital and Professional

R. E. Blue, Willis-Knighton Memorial Hospital, Inc., Shreveport, La.
 Alvah Connor, The Medical and Surgical Clinic, Wichita Falls, Texas
 Kate Graham, The Shortall Clinic, Dallas, Texas
 Frances M. Hernan, Massachusetts General Hospital, Boston, Mass.
 Dorothy E. Higginson, Dr. M. O. Wallace, Duluth, Minn.
 Mrs. Jean V. Lansing, Albany Hospital, Albany, N. Y.
 V. L. Meyer, The Sheboygan Clinic, Sheboygan, Wisc.
 A. J. Perez, Jr., The Rochester General Hospital, Rochester, N. Y.
 Carl N. Rasmussen, Tacoma General Hospital, Tacoma, Wash.
 John A. Ward, Lovelace Clinic, Albuquerque, N. M.

Jewelry

Harold B. Bliss, Shreve, Crump & Low Company, Boston, Mass.
 Albert M. Clarke, Bailey, Banks & Biddle Company, Philadelphia, Pa.
 E. Clyde Collins, Stanley Jewelers, Savannah, Ga.
 A. S. Kerby, The Hardy & Hayes Company, Pittsburgh, Pa.
 Morris King, Haltom Jewelry Company, Fort Worth, Texas
 J. G. Ost, Cowell & Hubbard, Cleveland, Ohio
 J. E. Willis, Jr., Arthur A. Everts Co., Dallas, Texas

Newspapers and Publishers

Henry G. Baker, The Oklahoma Publishing Company, Oklahoma City, Okla.
 A. W. Blieszner, The Pittsburgh Press, Pittsburgh, Pa.
 H. E. Hull, The Detroit News, Detroit, Mich.
 G. S. Pasquier, The Shreveport Times Publishing Company, Shreveport, La.
 A. R. Peterman, Cleveland Plain Dealer, Cleveland, Ohio
 Frank A. Schnell, Olean Times Herald Corporation, Olean, N. Y.

Petroleum

H. M. Barrentine, Skelly Oil Company, Kansas City, Mo.
 W. L. Bowen, The Texas Company, Denver, Colo.
 T. J. Fahay, Union Oil Company of California, San Francisco, Calif.
 J. D. Hartup, Standard Oil Company of California, Spokane, Wash.
 C. M. Mathewson, Cities Service Oil Company, Boston, Mass.
 William Stockton, The Atlantic Refining Company, Inc., Philadelphia, Pa.
 R. B. Thomas, Shamrock Oil & Gas Corp., Amarillo, Texas
 H. M. G. Walker, Esso Standard Oil Company, Columbia, S. C.
 Earl Warrick, Gulf Refining Company, New Orleans, La.

Public Utilities

C. A. Burns, Union Electric Company of Missouri, St. Louis, Mo.
 C. R. Clarke, The Brooklyn Union Gas Company, Brooklyn, N. Y.
 H. S. Hahn, The Ohio Gas Fuel Company, Columbus, Ohio
 H. A. Hoppus, Michigan Consolidated Gas Company, Muskegon, Mich.
 J. K. Jordan, Michigan Consolidated Gas Company, Detroit, Mich.
 R. B. Mitchell, The Peoples Gas Light and Coke Company, Chicago, Ill.
 Frank L. Mullett, Boston Edison Company, Boston, Mass.
 E. C. Paxton, Dallas Power & Light Company, Dallas, Texas
 H. P. Rabey, Savannah Gas Company, Savannah, Ga.

From Rags to Realism

THE DISPLAY MANAGER of our department store was vigorously rubbing a little girl's bright red dress with coarse sandpaper. Soon he had made a ragged hole in the front of the dress. He repeated this procedure several times. Next, the display manager patched several of the torn places with large contrasting pieces of cloth. To the reader it might seem incredible, what connection this apparently irrational act could possibly have with modern credit promotion, which is the subject of this report.

In order to understand the story fully it is necessary to go back at least five years, when I began my campaign for window space to be devoted to credit promotion. In a five-year period the sole accomplishment to show for my constant agitation was the use in our display windows of bar drops bearing the statement, "Use Our Handy Budget Plan." It is my firm belief that credit as a vital function of retail merchandising should receive an appropriate apportionment of space in the display windows of a department store.

Finally, after five long and unsuccessful years, the General Manager decided to give my theory a trial! He said that the Credit Department could have the busy intersection corner of the display windows in one of our buildings! For a long time I had proposed two ideas to promote credit visually. I decided to use the simpler of the two for our initial "test run."

The Boston Store uses the merchandise coupon type of credit. I had learned that any abstract presentation of credit which used the coupon book alone had little or no appeal. Only with the relation of Credit to merchandise could a completely successful promotion be achieved.

As the theme for our first credit promotion window I used an adaptation of the old "Before and After" idea so popular years ago. On one side of the window there were a mother and her young daughter dressed in extremely shabby clothes, complete with patches. Behind this couple was the caption, "Don't look like this." On the other side were another mother and daughter, dressed in the finest fashion afforded by our store. The caption behind them stated, "You can look like this."

Behind the whole display a blown-up coupon book furnished the background. The sign in the front portion of the window carried the simple message, "It's Easy, Shop Now, Use Boston Store Merchandise Coupons! Buy Now—Pay Later." After the window was completed we received many constructive suggestions from colleagues. We periodically changed the clothing on the models and added prices of some of the items.

The corner with the credit window was near a busy intersection of our city. Large numbers of people passed the window going to and from work. It required only simple observation to prove that the window was receiving a striking amount of attention. It was interesting to stand on the corner and watch the reaction of the potential customers. It was obvious that the simple message was finding its mark. There could be no mistake, the transition from rags to realism had been made. —J. H. Jacobs, *Credit Manager*, The Boston Store, Columbus, Ohio. ★★★

Comparative Collection Percentages

October 1953 vs. October 1952

DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
	1953			1952			1953			1952			1953			1952			1953			1952		
	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO
Boston, Mass.	44.0	50.1	33.4	42.8	51.1	34.2	22.4	37.6	7.3	25.3	40.3	10.4	—	—	—	—	—	—	—	—	—	—	—	—
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1 Providence, R. I.	50.5	53.1	47.1	53.2	56.4	43.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Springfield, Mass.	64.4	65.1	63.8	23.5	68.7	58.4	24.7	27.9	21.5	22.9	25.0	20.8	—	61.4	—	—	59.4	—	—	52.3	—	—	52.2	—
Worcester, Mass.	—	—	—	51.3	54.3	48.3	—	—	—	28.5	29.4	27.7	—	61.0	—	50.2	54.4	46.0	—	—	—	—	—	—
2 New York, N. Y.	49.2	56.5	43.8	48.5	55.0	43.2	22.8	28.1	15.6	21.9	25.6	15.8	44.6	47.9	43.2	45.5	47.2	41.5	51.6	53.2	49.9	51.4	53.1	49.7
3 Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Birmingham, Ala.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cincinnati, Ohio	55.7	59.1	53.7	56.7	60.7	52.0	16.5	18.3	11.5	16.9	20.2	12.8	55.2	65.4	45.0	59.4	71.0	47.8	—	54.1	—	—	49.6	—
Cleveland, Ohio	49.8	58.5	40.9	45.6	57.8	39.4	20.0	26.4	14.0	19.2	25.1	15.0	49.2	57.7	41.7	41.1	52.2	30.1	70.0	87.6	50.8	78.7	88.2	45.8
Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Louisville, Ky.	46.6	49.5	43.7	47.8	49.3	46.4	17.1	19.7	14.4	16.9	19.8	14.1	42.1	44.0	40.3	43.6	45.1	42.1	49.9	58.2	45.0	50.9	60.8	44.0
Ottawa, Ontario	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Toledo, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Youngstown, Ohio *	—	41.0	—	—	40.5	—	—	13.6	—	—	15.9	—	—	—	—	—	—	—	—	54.2	—	—	55.9	—
Cedar Rapids, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Des Moines, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Minneapolis, Minn.	58.5	69.2	51.0	60.8	71.9	52.3	16.4	19.3	15.0	21.1	23.0	17.4	52.8	63.1	42.5	53.1	62.0	44.2	51.4	58.9	40.8	56.1	63.4	49.8
Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sioux City, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7 Kansas City, Mo.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
St. Louis, Mo.	57.8	58.7	57.0	56.5	59.4	54.9	20.9	23.6	16.1	18.6	23.1	16.1	46.6	59.3	34.0	48.3	55.6	41.0	48.0	55.6	49.8	55.4	60.3	50.5
8 Denver, Colo.	51.8	55.4	39.6	49.8	53.8	41.3	16.8	27.2	14.5	16.8	26.5	16.4	53.3	55.4	51.2	49.9	53.8	46.0	53.3	55.4	51.2	49.9	53.8	46.0
9 Salt Lake City, Utah	59.7	61.0	57.4	61.3	65.0	58.3	20.7	25.5	17.3	20.2	25.2	16.9	—	—	—	—	—	—	52.7	55.0	50.4	51.7	51.9	51.6
Spokane, Wash.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Victoria, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Los Angeles, Calif.	54.5	68.8	48.7	55.1	65.2	48.4	15.7	16.1	14.9	18.1	20.8	16.0	—	—	—	—	—	—	56.6	71.7	53.4	57.4	69.8	54.9
Oakland, Calif.	60.2	61.5	56.4	60.7	68.7	59.4	16.0	17.9	14.2	18.1	18.6	14.7	60.6	64.6	56.7	59.7	70.0	49.3	—	55.5	—	62.2	70.0	54.4
11 Santa Barbara, Calif.	64.3	68.0	60.0	60.9	65.8	57.0	—	—	—	—	—	—	58.1	61.0	55.4	53.9	54.7	52.9	58.2	67.1	47.2	59.7	64.0	53.1
San Francisco, Calif.	59.4	61.8	50.1	55.7	62.4	51.9	17.3	18.8	14.7	18.2	25.1	17.2	46.3	52.8	40.6	48.0	52.5	41.7	50.1	50.2	47.0	48.4	51.7	46.7
Baltimore, Md.	49.0	53.2	48.0	50.6	58.8	48.7	19.9	30.3	15.2	19.9	29.6	16.2	37.1	44.0	31.1	39.8	52.0	21.0	41.9	45.5	38.4	40.7	47.2	34.3
12 Philadelphia, Pa.	43.4	53.2	38.1	41.6	49.9	34.7	12.8	16.6	10.6	13.7	15.9	11.4	41.4	44.4	36.8	40.5	41.7	35.8	—	—	—	—	—	—
Washington, D. C.	43.0	53.3	35.4	45.0	53.2	39.4	15.7	21.9	12.0	17.4	23.5	17.4	—	—	—	—	—	—	—	—	—	—	—	—
13 Milwaukee, Wis.	55.7	57.2	54.2	53.3	55.1	49.6	17.3	17.6	17.0	18.0	18.8	17.2	—	79.7	—	61.3	71.1	51.5	58.7	60.0	57.4	49.0	51.6	46.5

* Figures for September.

INSTALLMENT ACCOUNTS outstanding at department stores increased during September to a level 2 per cent above the preceding month-end and 17 per cent above September of last year. The collection ratio for installment accounts, estimated at 15 per cent, was unchanged from the preceding month. An increase of 11 per cent, largely seasonal in nature, occurred in charge accounts outstanding at department stores during September. Balances at the end

of the month were 6 per cent above a year ago. Sales of all types increased from August to September, as is usual for this time of year. Cash sales were up 10 per cent, charge-account sales 18 per cent, and installment sales 4 per cent. Charge-account sales were also up slightly from a year ago. Somewhat lower cash and installment sales, however, resulted in a slight decrease in total sales from September last year.—Federal Reserve Board.

LOCAL ASSOCIATION *Activities*



New Orleans, Louisiana

At the annual meeting of the Retail Credit Association, New Orleans, Louisiana, the following officers and directors were elected: President, Roland Ruiz, D. H. Holmes Co., Ltd.; First Vice President, Ola Fayard, Maison Blanche Co.; Second Vice President, Vernon Svendsen, Leon Godchaux Clothing Co.; Secretary, Alex Maier, New Orleans Public Service, Inc.; and Treasurer, Thomas C. Fischer, Progressive Bank & Trust Co. Directors: John Bealle, Sears, Roebuck; Gillie Bourque, Rosenberg Furniture Co.; Harris Copenhaver, New Orleans Retailers' Credit Bureau; John Garner, Chas. A. Kaufman Co., Ltd.; Thomas Mithen, Morris Kirschman Furniture Co.; Leonhard Raymond, Local Finance Co.; Stanley Schulkens, Labiche's; Creed Scoggins, Mayer Israel & Co.; and John Zimmerman, Morris Kirschman Furniture Co.

Pittsburgh, Pennsylvania

The new officers of the Retail Credit Association of Pittsburgh, Pittsburgh, Pennsylvania, are: President, A. W. Blieszner, *The Pittsburgh Press*; First Vice President, R. F. Goldman, Hahn Furniture Co.; Second Vice President, H. J. Wood, Peoples First National Bank & Trust Co.; Third Vice President, H. A. Clarke, Gimbel's; Treasurer, C. G. Kaessner, Kaufmann's Department Store; and Secretary, T. L. Ford, The Credit Bureau. Directors: Miss M. Queenan, Rosenbaum Co.; J. R. Woodward, Gulf Oil Corp.; J. Thurston, American Oil Co.; W. C. Washburn, Jr., Equitable Gas Co.; and J. B. McCrory, Personal Finance Co.

Prince Rupert, British Columbia, Canada

At the third annual meeting of the Prince Rupert Retail Credit Granters Association, Prince Rupert, British Columbia, Canada, the following officers and directors were elected: President, Norman Moorehouse, W. R. Love Electric Ltd.; First Vice President, Eric Speers, Thom Sheet Metal Ltd.; Second Vice President, Spero Postula, Spero's Quality Grocery; Treasurer, Mrs. Bea Grant, The Stork Shoppe; and Secretary, Mrs. Catherine Laurie, The Credit Bureau.

Lincoln, Nebraska

The Lincoln Retail Credit Men's Association, Lincoln, Nebraska, elected the following officers and directors for 1953-1954: President, Max Meyer, Credit Bureau of Lincoln; Vice President, E. K. McMahan, Magee's; and Secretary-Treasurer, R. E. Skold, United Credit Bureau. Directors: Earl Heironymus, Miller and Paine; Jessie Vetter, Hotel Cornhusker; L. F. White, Lawlor's; William C. Becker, Continental Oil Co.; and Donald Boldt, Gold and Company.

San Angelo, Texas

The following officers and directors were elected at the annual meeting of the Retail Credit Executives of San Angelo, San Angelo, Texas: President, Guy Ruther-

ford, Hemphill Wells Co.; First Vice President, H. E. Chancellor, Robert Massie Co.; Second Vice President, Mrs. George Cohen, Hollywood Style Shop; Secretary, Mrs. Sammie Jo Rollins, Barnes & Co.; and Treasurer, J. O. Vinson, The Credit Bureau. Directors: Mrs. Verna M. Bradford, Montgomery Ward and Co.; Mrs. Faye Stuart, Bauer-McCann Co.; and John Casey, *San Angelo Standard Times*.

Sumter, South Carolina

The new officers and directors of the Credit Managers Association of Sumter, Sumter, South Carolina, are: President, S. G. Hartgrove, Western Auto Stores; Vice President, Mrs. Portia Williams, Broad Street Amaco Station; Treasurer, J. D. Dinkins, The Carolina Hardware Co.; and Secretary, Lillian Moody, The Credit Bureau.

Marion, Ohio

The Marion Credit Granters Association, Marion, Ohio, has elected the following officers and directors for 1953-1954: President, Audry Swartz, Montgomery Ward; Vice President, L. M. Yinger, Ohio Edison Co.; Secretary, Marietta Steele, Spiegel's; and Treasurer, Paul Hunt, Millard Hunt Co. Directors: Floyd Arthur, Standard Oil Co.; Claudine Upton, Goodrich Store; Nadine Gilmore, Uhlers Dept. Store; Joan Gallo-way, Firestone Store; Edward Sloane, Sears Roebuck; T. H. McKinney, Ohio Bureau of Credits; Lillian Hamburg, Lord's Jewelers; and Howard Jeigler, Schaffner's Furniture Co.

Anderson, Indiana

At the annual meeting of the Anderson Retail Credit Association, Anderson, Indiana, the following officers and directors were elected: President, David Sobel, Sobel's Furniture Store; Vice President, Paul Bickel, Bickel's; Secretary-Treasurer, John W. Nottingham, Credit Bureau of Anderson; and Director, Virginia Baker, Kirkman's Jewelry Store.

Washington, D. C.

The new officers of the Retail Credit Association of the District of Columbia, Washington, D. C., are: President, R. L. Gilchrist, Tom's Auto Service; Vice President, C. W. Prettyman, The Credit Bureau; Treasurer, Thelma Buck, Woodward & Lothrop; and Secretary, John K. Althaus, The Credit Bureau.

Next Annual Conference

The 40th Annual International Consumer Credit Conference of the National Retail Credit Association, Associated Credit Bureaus of America and the Credit Women's Breakfast Clubs of North America will be held at the Fairmont and Mark Hopkins Hotels in San Francisco, California, July 19-22, 1954.



Granting Credit in Canada



C. B. FLEMINGTON . . Canadian Correspondent

How Important Is the Interview?

CARL B. FLEMINGTON, F.C.I., F.C.I.S., *Secretary Manager, Credit Bureau of Greater Toronto*

WITH THE approach of the Christmas season, there are certain proceedings relative to the extension of consumer credit which should be considered in order that all possible chance of bad debt losses or inconvenience be minimized. One of the most important phases is that of "interviewing," upon which I have been asked to comment. A well-conducted interview is of vital importance to the future conduct of any contract.

The credit sales department, from the executives to the most junior clerk, if they are to advance in their profession, must be prepared to put self aside and conduct each interview as though that transaction were paramount in the interests of the store as well as being of extreme personal interest to the individual who seeks to take advantage of the store's credit policy.

Undoubtedly, in the vast majority of credit applications, there enters, whether betrayed or not, a certain inferiority complex on the part of the applicant. I venture to say that in a high percentage of cases, the question in the mind of the applicant is this, "Am I being singled out as a person of inadequate means to care for my reasonable needs?" This merely illustrates the sensitiveness of human nature and although such an aspect is a thing apart, or should be, as far as the credit department is concerned there remains just cause for the first customer approach to be one of cordiality. This should not be overdone, as to do so suggests a trait of insincerity but due consideration must be given to the idea of putting the applicant entirely "at ease." This could be done in several ways but perhaps one reasonable suggestion would be to defer the question period until some other casual conversation has taken place.

Almost any situation offers an opportunity to refer to some outside topic which serves to assure the applicant that it is not the desire of the interviewer to exact procedure on him. Do not lose the "human touch." The applicant has thought over his transaction and now possesses a desire to exercise his right to pledge his credit to that end and if the interview is conducted in the proper atmosphere, he will readily cooperate to the entire satisfaction of the store's credit policy. If the first principle of putting the customer at ease is enacted, it will be found that engaging in a conversation which would prove beneficial from an information standpoint would not be difficult.

The next step, as I visualize the interview, would be a survey of the application blank to determine which of the many questions should be answered by direct questioning and which may be satisfied by more indirect conversation as the interview progresses. Generally speaking, there are some questions which are pertinent in all cases whereas others may be required with certain types which may be

described as "taking each case on its merit." Some persons would, no doubt, smother the interviewer with information most of which would be irrelevant to the situation and others require prodding almost to the embarrassing point before even ordinarily sufficient information is obtained. It is only natural that everyone flatters himself or herself on the matter of honesty and resents any form of formal procedure which even suggests that the store feels it must guard against the possibility of dishonesty.

When it must be considered that a sale is not a sale until the goods are paid for, the thought to keep in mind is to get all the information you can but do not trespass on the good nature of your applicant to the point where he feels any taint of non-confidence. Often a person will feel offended if given a long questionnaire to complete where he feels all questions asked must be answered. The "filling in" can much better be done by the department official who would be able to gauge those questions pertinent at the time from those which can be filled in by indirect means.

Formal procedure should never be used as it is often trying on the nerves of the interviewed. The interviewer should never appear too busy to be able to contribute a few "outside" remarks in an effort to secure the information he really seeks. Any possibility of getting into an argument with a customer must be avoided and sufficient training should be given an interviewer to enable him to form a generally good impression from the visit as to the applicant's desirability. If the customer appears evasive or "too eager," it might be well to re-check certain statements he has made.

A summary of the foregoing would suggest that more information can be secured through being friendly than by adopting the attitude of superiority which would suggest to the customer that he is the unequal partner to the transaction. If known it might assist to call customer by name during interview.

The Interviewer Must Be Himself

The interviewer must place himself in the position of the interviewed. Naturally, when a person believes himself to be honest, it is difficult for him to understand why he must be subject to formal interrogation. This feeling can be greatly diminished by the attitude of the credit official in impressing upon the customer that certain general information must be obtained from all applicants. This serves to satisfy him that he alone is not being suspected but that all those seeking credit privileges conform to certain generalities in providing information relative to their place of residence, employment, marital status, etc. This feature of "impartial" treatment goes far in reconciling an irate individual.

Much of the objectional feature can be erased from an interview if it can be impressed upon the customer that the questions being asked are for his own good and protection. For instance, the interviewer may interpret the question in the light of proper identification so as to avoid possible embarrassment at a later date or subsequent confusion due to similarity of names, etc. Satisfying the customer that proper identification now is in his best interests will usually dispel any feelings of antagonism, especially when it is also suggested that it may not only be confusing to him but affect others in the family as well should he be desirous of permitting joint buying on a charge account. No one wants to subject his wife, daughter or other relative to any possible delay when buying "on charge" and will give any useful information in order to avoid such a possibility.

With certain individuals it is difficult to gauge the degree of financial responsibility. In this class may be placed lawyers, doctors, dentists, and most people who are in business for themselves. Even in the salaried category, it is impossible at times to obtain any accurate appraisal. Naturally, this complicates the matter of setting a credit limit and an effort must be made to obtain at least a fair estimate at the time of receiving the application. Some query might be made of the applicant as to the desired limit and through this approach suggest, during conversation, that this might be set in keeping with his average monthly remuneration. Usually such satisfaction is obtained which would enable the interviewer to recommend a limit which could later be confirmed by the credit manager or bureau.

In conducting the interview, an educational policy should be adopted to acquaint the customer with the credit requirements of the store. This should serve to impress that not only do they expect payment, but expect it promptly and according to terms. There is no reason why it should not be made apparent to the customer that it costs money to operate a credit business and non-adherence to terms places the store in an unfortunate position if applied generally. The customer should be versed in "pride of achievement" in that a satisfactory transaction paves the way for greater confidence not only with a particular store but through its being recorded on the files of the credit bureau where it would serve to guide other credit granters. The reverse might also be mentioned.

Interviewer Must be a Mediator

When a person seeks something he is willing to "pay" for it. In the case of a credit application he seeks deferment in the payment for merchandise and the reasonable person expects to be asked certain questions and in consideration of credit being extended is willing to reciprocate. The credit manager who deals lightly with his responsibility as a mediator between the store and its credit customers, is not acting in the best interests of either. At this juncture the customer may be particularly receptive not only toward the understanding of the merchant's problems in the granting of credit such as procrastination in payment of accounts, etc., but also may be prepared to advance his custom in centralized buying or patronage of some other phase of his company's business if the proper plan of approach is suggested. The credit manager may certainly be a *credit sales* manager if the proper attitude is adopted toward a customer. The store

wants to *sell* and the customer wants to *buy*, so where could a better platform exist for mutual understanding of one another's problems? Perhaps the most general misunderstanding is that the public generally do not appreciate that terms are terms and that any departure from them may reflect at a later date. Some customers require more education than others along this line, but oftentimes an appeal to self-interest or pride will suffice.

A positive setting for credit education is the Credit Bureau. Our members all have the privilege of referring any customer to us where a full recording of the person's transactions is available for discussion with them. These may be discussed in private and with mutual regard for one another's viewpoints. These interviews are usually the result of an unsatisfactory report being given by the bureau and as a sequel, the applicant is referred to us. In the majority of cases, it offers a real opportunity to be of service not only to the store referring or those which reported adversely but to the applicant personally. A great many borderline cases are reinstated and what better credential could be presented by any applicant for credit than, "You may call the Credit Bureau regarding my credit standing." All customers should receive some form of credit education. *Some* require a detailed recording of all the whys and wherefores, while *others* are ready and willing to cooperate if the proper lead is given with little or no insistence or preliminary pronouncement.

It should always be kept in mind that the higher the station in life, financially and socially, of the customer, the greater should be the tendency to refrain from any semblance of questioning. The degree to which the customer may be questioned depends upon the extent to which the person desires the goods or services. ★★★

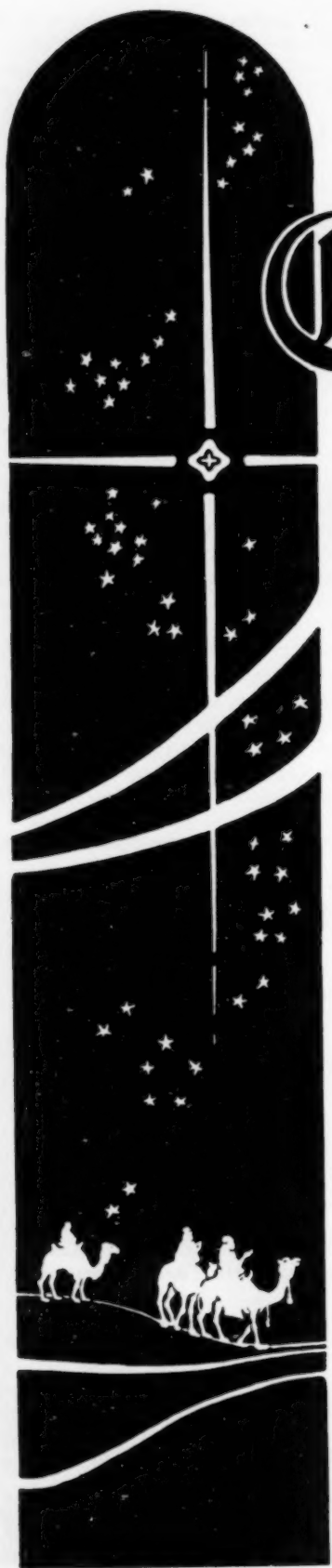
Christmas Greetings

MAY I take this opportunity of extending all best wishes for the Christmas season to the managements and staffs of the National Retail Credit Association and the Associated Credit Bureaus of America. Through mutual good will and understanding, brought about by attendance at your credit conferences, and through the medium of The CREDIT WORLD, much has been done to cement the ties between our two countries and to lessen any differences which may exist in credit bureau policy or procedure.

It has been a pleasure to provide subject matter from month to month in this Canadian section of The CREDIT WORLD, and I only hope that the articles have been of some small interest and assistance.

To all members of the National Retail Credit Association and the Associated Credit Bureaus of America, my personal greetings and best wishes for a Merry Christmas and a Happy New Year.

Carl B. Flemington.



Christmas Greetings

CHRISTMAS IS HERE AGAIN, awakening in us the same thrills and joys that always come when we celebrate the birthday of the Prince of Peace. It is a time and season that brings out the best in mankind. The handshake is firmer, the smile brighter, the *Merry Christmas* more sincere because each feels within his heart the warmth and good will that is the true spirit of Christmas. May each of us strive to capture this spirit and carry it with us through the year. May all of our prayers be that peace and good will may spread to all the nations of the world, that all men will heed the Angels' song of Glory to God in the Highest, and on earth, peace, and good will toward men.

In this spirit, the National Retail Credit Association wishes you a Merry Christmas; Health and Happiness for the New Year.

President
National Retail Credit Association



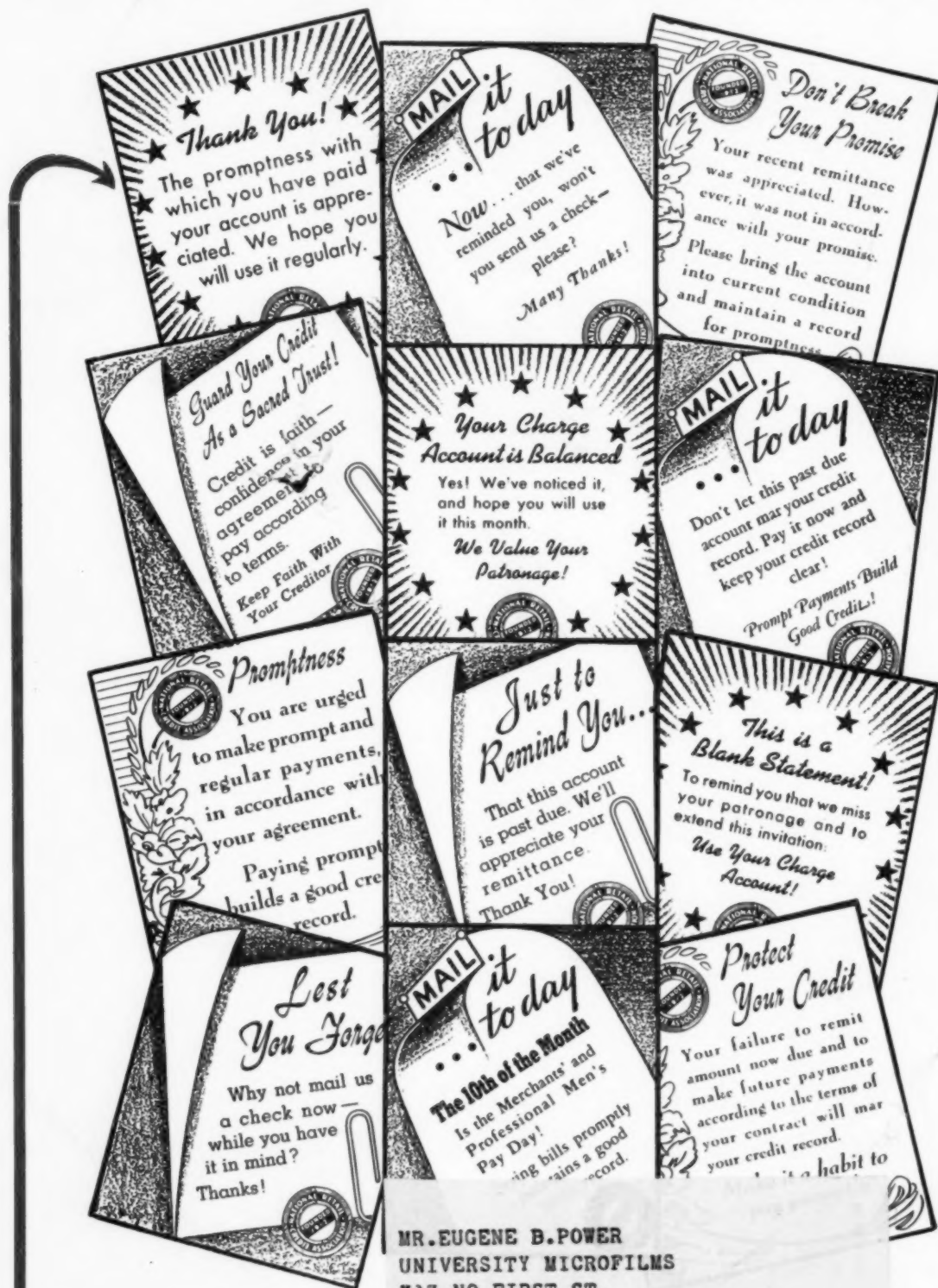
Season's Greetings!

Our comfortable offices, shown above, offer a friendly welcome, summer and winter, to our members and those of the National Retail Credit Association.

On behalf of the 2,700 credit bureaus and collection service offices in our association, we wish you a very merry Christmas and an even happier New Year.

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7000 Chippewa St. Louis 19, Mo.

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